Economic Needs Assessment

New Forest District Council and New Forest National Park Authority

31 October 2025

LICHFIELDS

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Executive Summary

New Forest District Council and the New Forest National Park Authority ('the Authorities') jointly commissioned Lichfields to prepare an Economic Needs Assessment to inform the economy and employment policies as part of the Authorities' respective Local Plan reviews. The study covers the period between 2025 and 2043.

The study area is divided into four sub-areas, namely Avon Valley & Downlands (AV&D), South Coastal Towns (SCT), Totton & Waterside (T&W), and the New Forest National Park (NFNP) as outlined in more detail in Section 1 (Figure 1.1).

This assessment focuses on locally-generated employment needs and does not consider any additional demand that might arise from strategic sectors (e.g. logistics). These are separately considered as part of other overarching evidence that has been prepared for the wider sub region, and are cross-referenced by this study. Furthermore, a Port and Marine Business Needs Assessment has concluded that the forecast demand of 151–258 ha for port-related uses can be met entirely within the ABP Strategic Land Reserve. There are therefore not expected to be any 'unmet' port-related needs that will directly impact on general employment land requirements.

Commercial Property Market Review

The commercial property market in New Forest District is dominated by industrial space, with the office market being modest. Over the past 20 years, employment floorspace in the District grew by 14.9%, in contrast to a 7.3% decline across the wider Solent area. Totton & Waterside is the principal employment hub, accounting for 62.5% of total floorspace, including most B8 distribution and open storage.

Between 2006/07 and 2023/24, Avon Valley & Downlands recorded the highest net gain in development (+41,150 sq.m), while other sub-areas saw smaller increases. Since the introduction of Permitted Development Rights (PDR) in 2013, around 4,030 sq.m of employment space has been lost — mostly office space converted to residential.

The office market remains limited with demand mainly for smaller units (<250 sq.m). Vacancy is low at 4.1%, which is below the South Coast average, while rental growth of 5.9% over three years is considered modest. Adaptive reuse of rural and agricultural buildings is the preferred way to meet demand.

The industrial sector is more active, with low vacancy (3.4%) and strong rental growth (17.2% over three years). Development is mainly small-scale, often repurposed from agricultural land. Totton & Waterside is the core industrial hub due to its proximity to the Port of Southampton and M27, but faces capacity pressures with limited supply remaining. Demand is focused on small to medium units (<3,000 sq.m), particularly below 1,000 sq.m.

Land and Premises Review

Site surveys undertaken by the Authorities show a comparatively good supply of employment land, and with some sites offering opportunities for intensification or redevelopment.

In New Forest District, 91% of 90 sites assessed are of average quality or better. High-quality examples include Pullman Business Park and Ampress Park, while weaker sites tend to suffer from poor access and outdated buildings. Thirty-one sites have potential for redevelopment based on the Council's assessment, while five sites (6.2 ha) are identified as candidates for release.

In the National Park, 38 of 40 sites remain in employment use, with 84% rated at least average quality. Losses have been minimal, with only two sites redeveloped for housing. High-quality sites such as Meridien Modena and Mortimers Farm Industrial Estate stand out for their accessibility and building quality.

The Current and Future Labour Market

The study area demonstrates strong labour market performance, with an above-average employment rate of 76.2% (2021). However, a high economic inactivity rate (20.6%), largely driven by an ageing population (30% aged 65+ in 2021, projected to rise to 37.3% by 2043), presents long-term workforce challenges.

The economy across the study areas is characterised by strengths in marine, advanced manufacturing, care, hospitality, and land-based industries, but underperforms in higher-value sectors such as ICT and finance. Business activity is concentrated in Totton & Waterside, while micro-businesses dominate elsewhere.

Future opportunities include job creation linked to the Solent Freeport, particularly in R&D, advanced manufacturing, and digital sectors. This will drive demand for STEM and other technical skills. According to the findings of the Port and Marine Business Needs Assessment, these needs are expected to be met primarily within existing port sites, without requiring additional allocations elsewhere.

Future Employment Space Requirements

Four different scenarios of future needs have been considered based on PPG-aligned approaches, which reflect economic growth, past development trends, market trends, and labour supply factors. For New Forest District Council, total requirements range from 74,990 sq.m (Scenario 1) to 189,500 sq.m (Scenario 3). The most realistic forecasts are provided by Scenario 2A (Past Trends, 106,800 sq.m) and Scenario 2B (Market Trends, 142,600 sq.m). These align with past monitoring data and market activity and are therefore recommended as the basis for informing plan-making processes.

The majority of demand is expected to be for light industrial, industrial, and warehousing space, with only modest office requirements. To maintain flexibility, the District should plan for up to 25,790 sq.m of office space and around 110,000–117,000 sq.m of industrial space.

By sub-area, there are no specific recommended quantum given the small-scale nature of the geographies, but the indicative requirements could comprise:

- Totton & Waterside: 16,190–41,650 sq.m (mainly industrial, excluding port-related activity)
- Avon Valley & Downlands: 54,600–58,190 sq.m (balanced mix of office and industrial). In this sub area, the sum of individual requirements exceeds the overall recommended range due to the fact that office requirements under the past trends Scenario 2A are negative, while the industrial in the same scenario is much higher than Scenario 2B.
- South Coastal Towns: 32,420–46,350 sq.m (primarily industrial)

For the New Forest National Park, employment needs are more limited, ranging from 4,450 sq.m to 13,550 sq.m, with Scenario 2A (Past Trends, 13,550 sq.m) being recommended as the most robust and reflective of actual market activity. This comprises c.1,220 sq.m of office, 4,760 sq.m of industrial, and 7,570 sq.m of mixed employment uses. The latter could not feasibly be disaggregated further, however,

given the baseline analysis, this should primarily comprise light industrial, industrial and distribution rather than office space.

Balance of Demand and Supply

The current supply of employment land, taking into account extant permissions and undeveloped land within allocations, totals 109,620 sq.m in the District and 1,140 sq.m in the National Park. Over half of the District's supply (57%) is concentrated in Totton & Waterside, largely at two major sites: Land to the North of Totton (SS1) and the Former Fawley Power Station (SS4). This assessment assumes these allocations are fully delivered during the Local Plan period; any under-delivery would affect the balance of demand and supply.

Comparing demand and supply shows that:

- In the District, supply is sufficient for the lower-growth scenarios (1 and 2A), but shortfalls emerge under Scenario 2B CoStar Net Absorption (-c 33,000 sq.m) and Scenario 3 Labour Supply (c -80,000 sq.m, including the National Park area). Against the recommended requirements, there is a shortfall of c. 25,790 to 35,000 sq.m.
- In the National Park, all scenarios indicate a shortfall, ranging from c 3,300 sq.m to 12,400 sq.m, with the latter being the shortfall against the recommended level of need.

As such, there is a need for some more land to be identified to meet the recommended requirements in quantitative terms and also provide more flexibility and choice for occupiers.

Policy Recommendations

Provision of Employment Space

Both Authorities should safeguard employment land and allocate additional land to meet quantitative needs and provide greater flexibility to meet business needs. Current supply is concentrated in a few large sites (e.g. Fawley Power Station), some of which face environmental or access constraints. Policies should, therefore, support a better spatial distribution of supply, particularly in northern Totton & Waterside, Avon Valley & Downlands, and the South Coastal Towns.

Policies should also encourage renewal, intensification, and modernisation of existing sites, promoting higher-quality, resource-efficient premises that meet business needs and latest environmental standards.

In the National Park, where supply is limited, the focus should be on maximising opportunities through redevelopment and intensification, with selective new allocations considered where compatible with the Park's purposes.

Protection of Employment Sites

Future losses should be carefully managed. Policies should:

- Ensure no net loss of employment space in designated locations.
- Provide protection for viable undesignated sites.
- Retain flexibility to respond to market needs.

Given the loss of space through Permitted Development Rights which has impacted the availability of commercial space, the Authorities may consider utilising Article 4 Directions where these can be justified so that greater control can be exerted on these changes through the planning system given the need to make best use of existing commercial premises.

Rural Employment Sites

Rural sites, often converted from agricultural buildings, play a vital role in supporting small businesses and start-ups. While allocating such sites would be disproportionate, policies should provide a supportive framework for their retention, reuse, and sensitive redevelopment to meet modern standards and business requirements.

Strategic Logistics

The 2021 Economic, Employment and Commercial Needs Study undertaken by Stantec on behalf of the Partnership for South Hampshire (PfSH) identified a likely need/demand for additional logistics space in the South Hampshire region. The study recommended that the local authorities in PfSH look for up to 5 sites for strategic logistics, each of 8-10 hectares and adjoining the motorway network, although this need is not specifically assigned to the New Forest.

Market feedback continues to support this, highlighting land around M27 Junction 2 as potentially being well-suited (commercially) to meet strategic logistics requirements should land be made available for development. While the Economic Needs Assessment primarily addresses locally-arising employment needs, the findings of the 2021 Stantec study have been sense checked through consultation with commercial agents. On this basis, it is considered that the conclusions of the 2021 Stantec study on strategic logistics needs remain valid.

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1.0 Introduction

1.1 New Forest District Council and the New Forest National Park Authority ('the Authorities') jointly commissioned Lichfields to prepare an Economic Needs Assessment to inform the economy and employment policies as part of the Authorities' respective Local Plan reviews.

Scope of the Study

1.2 The Economic Needs Assessment takes account of the latest economic outlook, national planning policy and legislation, and the wider economic context for the study period 2025 - 2043.

1.3 The scope of the study includes the following:

a An analysis of current market demand and signals, including availability and past take-up of employment premises and land to identify any gaps or oversupply of specific employment uses.

b Review of economic conditions and recent trends based on existing evidence to assess the labour market conditions and sectoral groups existing within the Authorities.

c Aligned to the Planning Practice Guidance (PPG), an assessment of the scale of future demand and growth potential to quantify the amount and type of floorspace needed.

d Assessing the implications for the Authorities' future employment land demand/supply balance in the context of the updated evidence and provides policy recommendations.

1.4 This study has been prepared in line with the PPG and the methodology for determining future economic development needs.

1.5 It includes consideration of economic development as defined by the NPPF, with a primary focus upon the typologies set out in the business use classes as outlined below:

- B2 general industrial: typically comprising factory and manufacturing space.
- B8 storage and distribution: warehouses, wholesale and distribution.
- Under the Use Classes Order, "B1 uses" have changed as follows:
  - (i) Former Class B1(a) to E(g)(i): office space;
  - (ii) Former Class B1(b) to E(g)(ii): research and development space; and
  - (iii) Former Class B1(c) to E(g)(iii): light industrial space

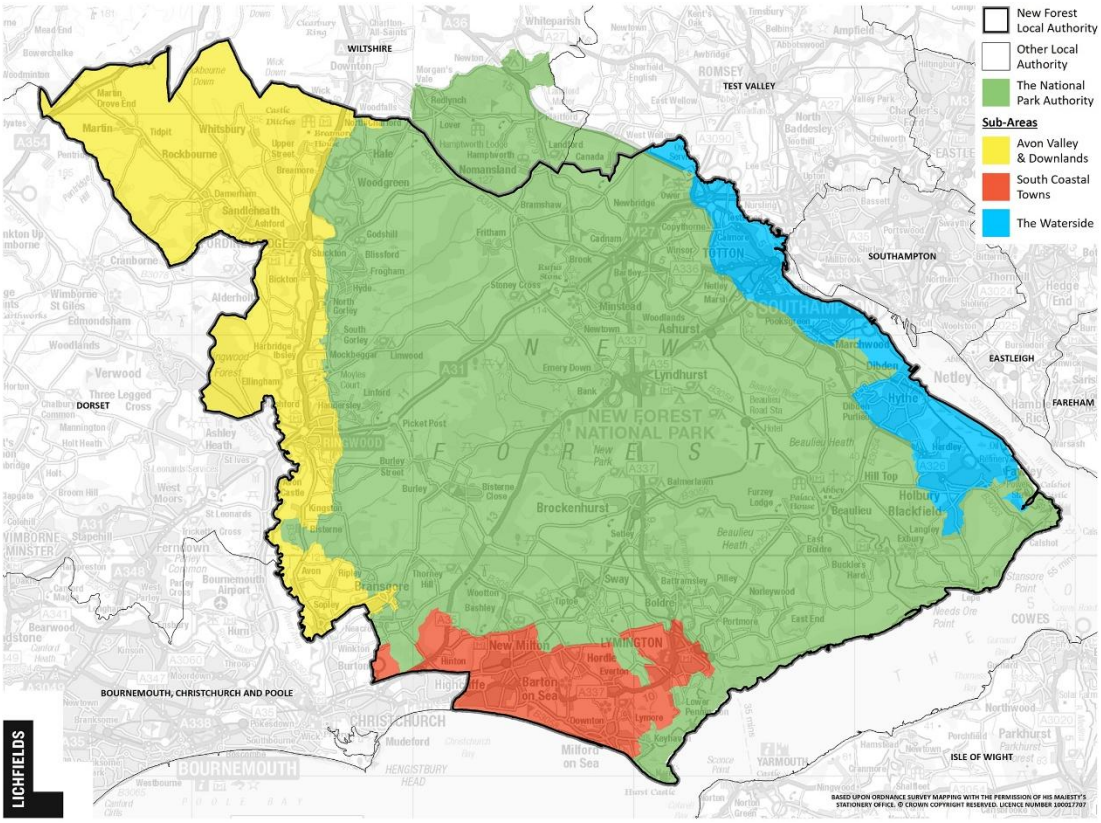
Study area

1.6 The study area comprises two planning areas defined by the administrative boundaries of New Forest District Council and New Forest National Park. The map below shows the extent of the study area.

1.7 The National Park boundaries are similar to/intersect with the District boundaries, excluding the three sub-areas in the New Forest District planning area, namely Avon Valley & Downlands, South Coastal Towns and The Waterside.

1.8 The National Park also extends beyond the District boundary to the north, covering parts of the Wiltshire Council and Test Valley Borough administrative areas. It should be noted that 94% of the New Forest National Park lies within the New Forest District, with most of the remaining lying in the southern parts of Wiltshire, covering the villages of Redlynch, Lover, Landford and the Langley Wood National Reserve. Canada and Canada Common villages are the main settlements within Test Valley Borough that fall within the National Park.

Figure 1.1 Overall study area and sub-areas



Source: NFDC/NFNP/Lichfields

Basis of assessment

1.9 An important consideration for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data, review of site conditions and other evidence available at the time of preparation, primarily in mid-2025. The accuracy and sources of data derived from third-party sources have not been checked or verified by Lichfields.

1.10 It should also be noted that this employment evidence considers the 'indigenous' (i.e. locally-arising) employment needs associated with economic and employment growth in the Authorities' administrative areas and it does not take account of any wider strategic or

inward investment needs other than to the extent that these have been accommodated historically and accordingly they are currently reflected in the trends which inform the various forecasts used to inform the assessment. There are existing studies commissioned at a sub-regional level that consider strategic economic development needs in relation to the study area (see paragraphs 4.22 to 4.27).

1.11 It should also be noted that a separate Port and Marine Business Needs Assessment has also been prepared on behalf of New Forest District Council to focus exclusively on the demand and supply of employment space in relation to the port activity and the supply of the port sites. This has informed the findings of this study.

1.12 In addition to the need to plan for business needs, the December 2024 update to the NPPF requires local planning authorities to specifically plan for the growth of 'modern economy' sectors and uses[1]. To some degree, this is a matter for general employment land planning, while some uses have a degree of specialisation with their locational requirements and drivers of demand, which do not fall within the PPG's current approach to forecasting needs. It is not within the scope of this study to undertake a detailed review of future requirements in these sectors specifically and their locational needs other than the extent to which these feature within the past development trends and existing patterns of economic activity.

1.13 Given the unique geography of the study area, some caution needs to be taken in relation to data sources. This assessment makes best use of available information and data as far as possible and as appropriate to the administrative areas of the Authorities, but is not widely available for the National Park. In addition, the analysis and findings of this study should be read in the context of a series of assumptions and limitations concerning available information and data, and the level of analysis possible at various geographical scales.

Report Structure

1.14 The report is structured as follows:

- **Commercial Property Market Review (Section 2.0):** an analysis of the current stock and trends in employment space and how different segments of the market have been performing recently.
- **Land and Premises Review (Section 3.0):** summarises the findings of the assessment of existing sites prepared by the Authorities.
- **The Current and Future Labour Market (Section 4.0):** reviews the current and future labour market position in the Authorities.
- **Future Employment Space Requirements (Section 5.0)** considers a series of future growth scenarios for the period 2025 to 2043 to assess employment land needs.
- **Balance of Demand and Supply (Section 6.0)** presents the employment requirements against the available employment supply across the area to identify any shortfall or oversupply of employment space.
- **Conclusions and Policy Recommendations** are set out in **Section 7.0**.

[1] Namely laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.

2.0 Commercial Property Market Review

2.1 This section provides an overview of the existing stock of employment space and presents recent trends and changes to this stock. The analysis draws on data from a range of sources, including:

1 Commercial floorspace data from the Valuation Office Agency (VOA);

2 Monitoring data on commercial floorspace provided by the Authorities;

3 CoStar commercial property market data; and

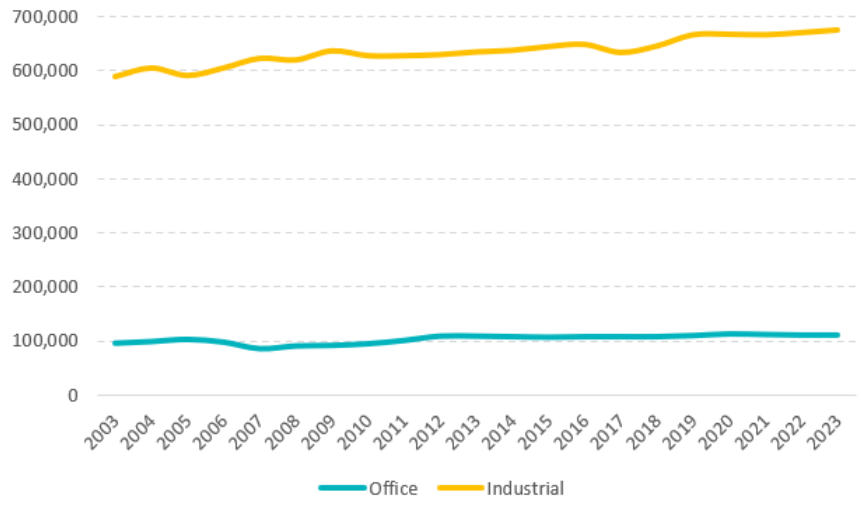
4 Discussions with a number of commercial property market agents currently active locally.

Stock of Employment Space

2.2 At 31 March 2023, the total stock of employment space (office and industrial) in New Forest District[2] was in the region of 786,000 sq.m[3]. Of this, offices accounted for 14.1% (111,000 sq.m) of floorspace and industrial space for the remaining 85.9% (675,000 sq.m).

2.3 The total stock of employment space in the District increased by 102,000 sq.m, or 14.9%, between 2003 and 2023. Over the 20-year period, office floorspace in the District increased by 15,000 sq.m (16%) and industrial space increased by 87,000 sq.m (15%).

Figure 2.1 Employment space in New Forest District, 2003-2023



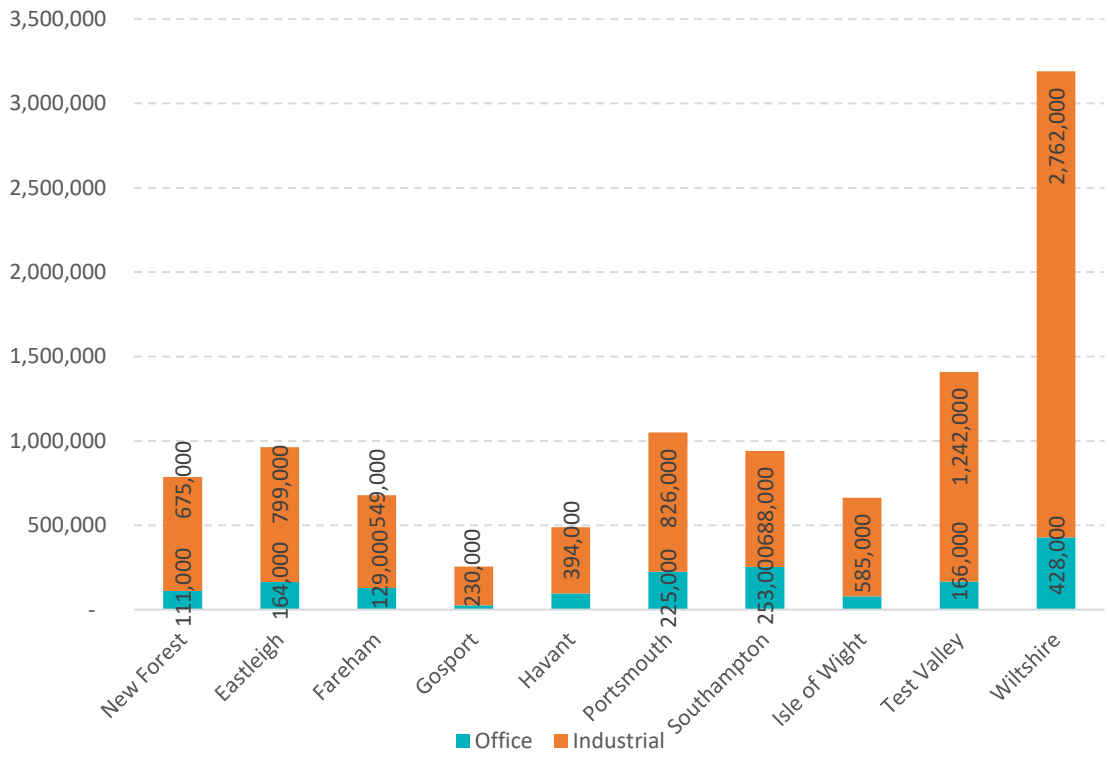
Source: VOA (2023) / Lichfields analysis

2.4 Across the wider Solent area, total employment floorspace decreased by 7.3% over the period, in contrast to the New Forest, which recorded a 14.9% increase in employment floorspace. The overall decline in the Solent was primarily driven by a significant reduction in industrial floorspace, which contracted by 357,000 sq.m over the 20-year period. Office floorspace across the region also declined, albeit more modestly, by 105,000 sq.m over the same timeframe.

[2] Valuation Office Agency ('VOA') Data only available for New Forest LA/UA geography.
[3] Valuation Office Agency ('VOA') (2023) Non-domestic rating: stock of properties including business floorspace, 2023

2.5 Among the ten local authorities within the Solent and Hampshire area, New Forest held the sixth-largest stock of industrial floorspace in 2023, with 675,000 sq.m — slightly below Southampton's 688,000 sq.m. Wiltshire had the largest share of industrial floorspace with 2.76 million sq.m followed by Test Valley with 1.24 million sq.m. Similarly, Wiltshire had the possesses the greatest volume of office floorspace, totalling 428,000 sq.m followed by Southampton with 253,000 sq.m. Overall, the New Forest ranked sixth in terms of total employment floorspace, and seventh in office floorspace across the eight local authorities.

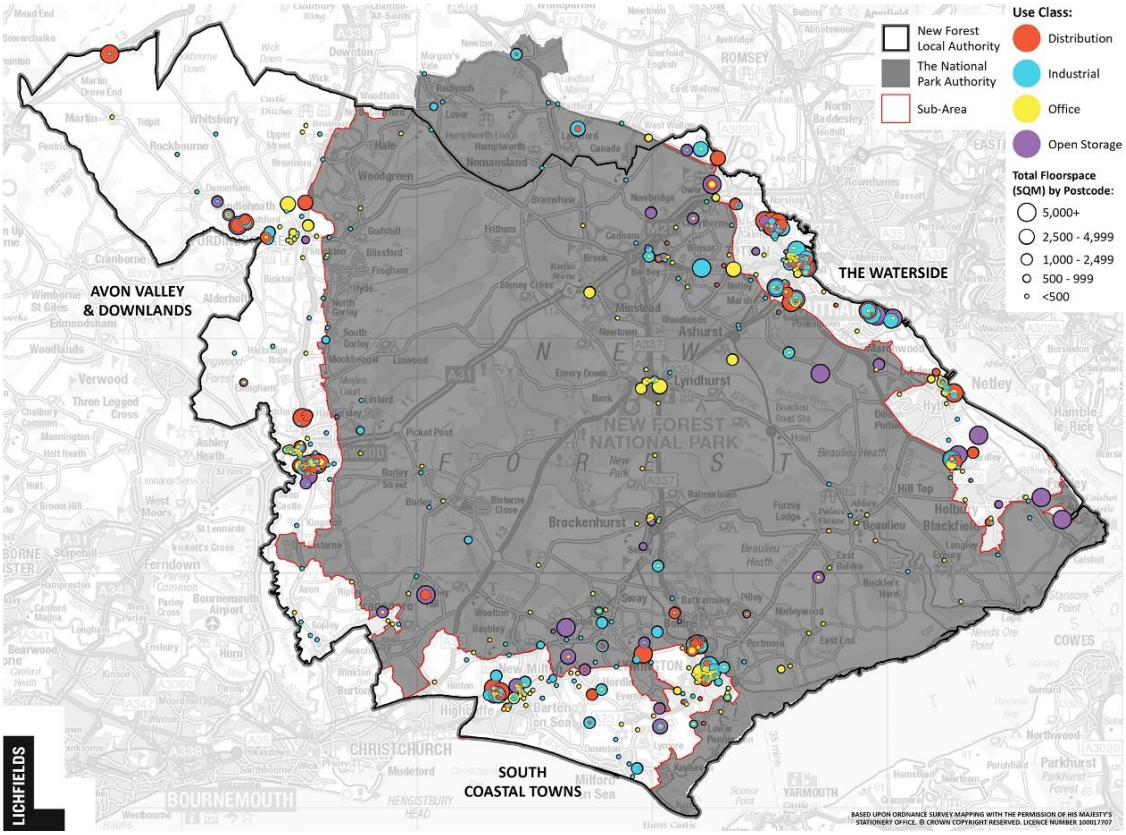
Figure 2.2 Employment space by type across the wider area



Source: VOA (2023) / Lichfields analysis

2.6 Figure 2.3 shows the distribution of employment floorspace by broad use class across New Forest District and the National Park based on VOA rating lists as at 31 March 2023. The latest VOA data on the spatial distribution of floorspace shows that most B8 distribution space is concentrated in Totton & Waterside, much linked to port activity. Office floorspace is more evenly distributed across the different sub-areas, though Avon Valley & Downlands holds the largest share, with 34.7% of total office stock. Light industrial and general industrial space is primarily located in Totton & Waterside and the South Coastal Towns.

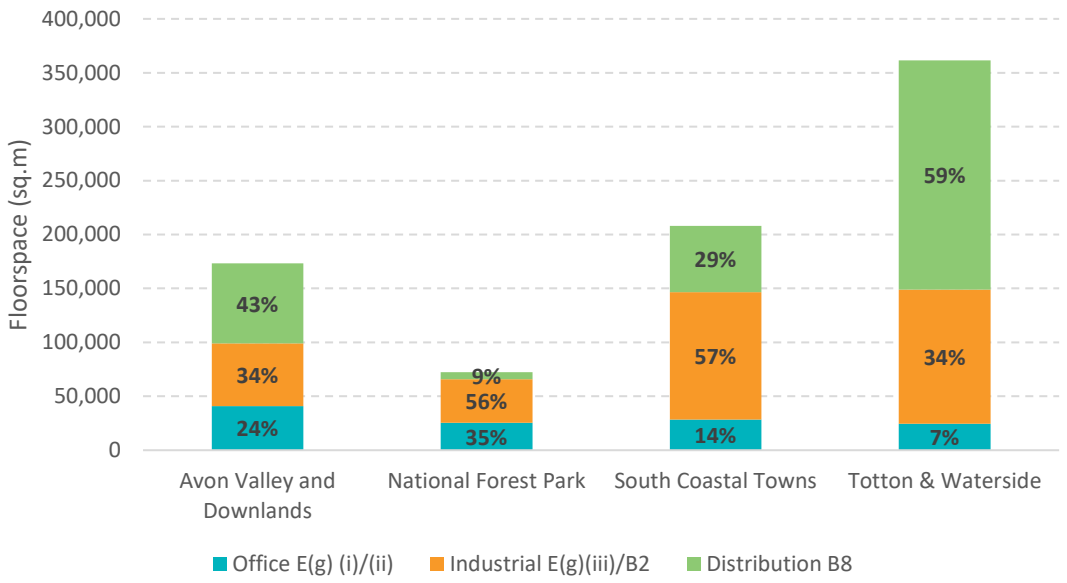
Figure 2.3 Distribution of employment floorspace by broad use class, New Forest, 2023



Source: VOA (2023) / Lichfields analysis

2.7 Across the Authorities' administrative areas, almost half (44.7%) of employment floorspace is located in Totton & Waterside, which is also the primary hub of employment activity across the authorities. This is followed by the South Coastal Towns with 25.7%, and Avon Valley & Downlands with 21.5%. As expected, the New Forest National Park contains the smallest share of employment floorspace (8.9%), mostly comprising industrial (40,630 sq.m) and office space (25,327 sq.m), with minimal distribution uses as highlighted below.

Figure 2.4 Distribution of employment floorspace across the study area



Source: VOA (2023) / Lichfields analysis

2.8 In Totton & Waterside, port sites — including Marchwood Port, Eling Wharf, and the Fawley Oil Refinery Complex — represent a small proportion of the sub-area's employment floorspace, accounting for just 1% of industrial, 2% of distribution, and 5% of office floorspace. However, these sites make up the majority (67%) of the area's open storage land, primarily concentrated at Eling Wharf, the Fawley Complex, and Marchwood Port. The remaining 33% of open storage land is located outside of these port-related sites.

2.9 Table 2.1 below outlines the distribution of employment floorspace by sub-area, highlighting Avon Valley & Downlands as having the largest share of office stock, while Totton & Waterside holds the greatest volume of industrial and distribution floorspace.

Table 2.1 Proportion of Employment floorspace by sub-area

Sub-area	Office E(g) (i)/(ii)		Industrial E(g)(iii)/B2		Distribution B8		Total	
	(sq.m)	(%)	(sq.m)	(%)	(sq.m)	(%)	(sq.m)	(%)
Avon Valley and Downlands	40,968	34.7%	58,122	17.0%	74,085	21.0%	173,175	21.2%
New Forest National Park	25,327	21.4%	40,630	11.9%	6,522	1.8%	72,479	8.8%
South Coastal Towns	28,291	23.9%	118,344	34.6%	61,283	17.3%	207,918	25.5%
Totton & Waterside	24,552	20.8%	124,460	36.4%	212,343	60.1%	361,355	44.3%
Total Study Area	**119,138**	**100%**	**341,556**	**100%**	**354,233**	**100%**	**814,927**	**100%**

Source: VOA Survey (2023) / Lichfields analysis

Development Rates and Trends

2.10 Monitoring data on net completions of employment floorspace, broken down by sub-area up to 31 March 2024, have been provided by the Authorities. This analysis provides a detailed overview of the scale and nature of employment space development and reduction since 2006.

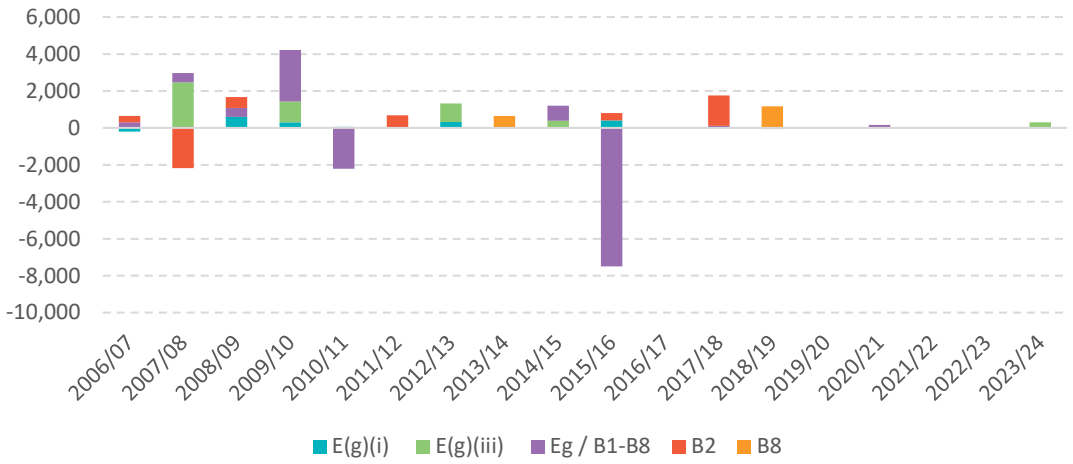
2.11 It should be noted that following changes to the Use Classes Order 1987 effective from 1 September 2020, Class A1-A3, B1, D1 and D2 uses were subsumed into Class E. The monitoring data provided by the Authorities reflects net completions only — rather than separate figures for gains and losses. As such, the analysis presented below focuses solely on net completions by sub-area and by use class.

2.12 Figure 2.5 illustrates net completions in the Totton & Waterside (T&W) sub-area from 2006/07 to 2023/24. It should be noted that the data excludes any data in relation to the four port sites which are separately the subject of the Port and Marine Business Needs Assessment – namely Eling Wharf, Solent Gateway Marchwood Port, Fawley Oil Refinery Complex and Fawley Waterside.

2.13 Over this 18-year period, T&W experienced a total net gain of 5,420 sq.m. A loss was recorded in the 2015/16 monitoring year in relation to the redevelopment of a plot at the Hardley Industrial Estate. The demolition of one large vacant unit and the provision of six smaller-scale industrial units resulted in the net loss of c 7,500 sq.m of floorspace in that year.

2.14 Over the last five years, net completions have been particularly limited, reflecting the wider economic climate. The average annual net completion equated to c 300 sq.m (however, excluding the redevelopment of the Hardley Industrial Estate, this increases to 720 sq.m). Compared to the other parts of the two sub-areas, it shows that the activity in T&W is similar, albeit lower, to that recorded in South Coastal Towns and the National Park, but much lower compared to Avon Valley & Downlands as described below. Of note, the use classes in the figures below are presented under Class E(g)(i)/(ii)/(iii), rather than the former B1a/b/c use classes across the monitoring period. Although the monitoring data itself predates the 2020 adoption of Class E, the figures have been standardised and presented in line with the updated classification.

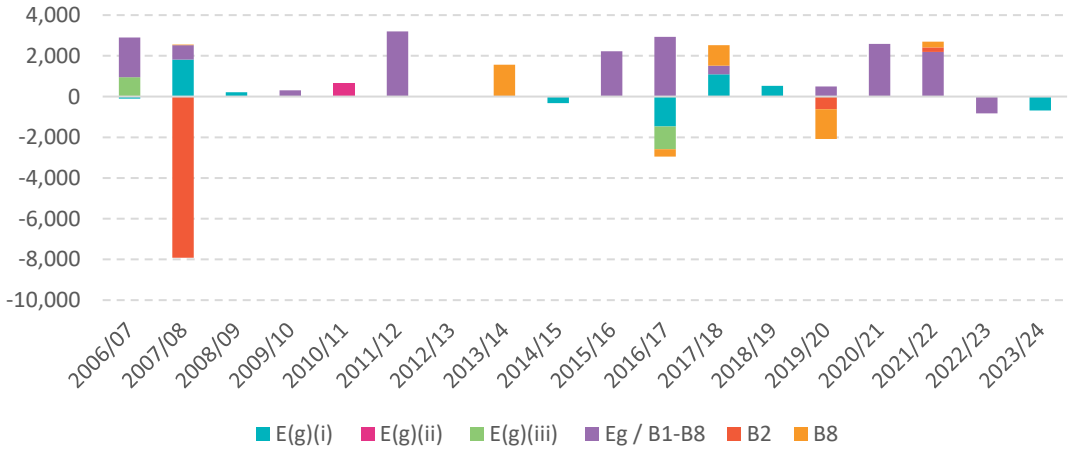
Figure 2.5 Net Completions of Employment Space in Totton & Waterside



Source: New Forest District Council (2024), Monitoring Data

2.15 In the South Coastal Towns ('SCT') sub-area, a net gain of c 10,500 sq.m of employment space was recorded over the 18-year period. This was primarily comprised of 16,200 sq.m of net completions of E(G) (B1-B8) employment floorspace. Meanwhile, the SCT sub area recorded a net loss of c 7,900 sq.m of B2 floorspace in 2007/08. Overall, the average annual net completion equated to c 580 sq.m, reflecting a trend of net gain over the monitoring period. When compared with the other four sub areas, SCT recorded a modest rate of net completions.

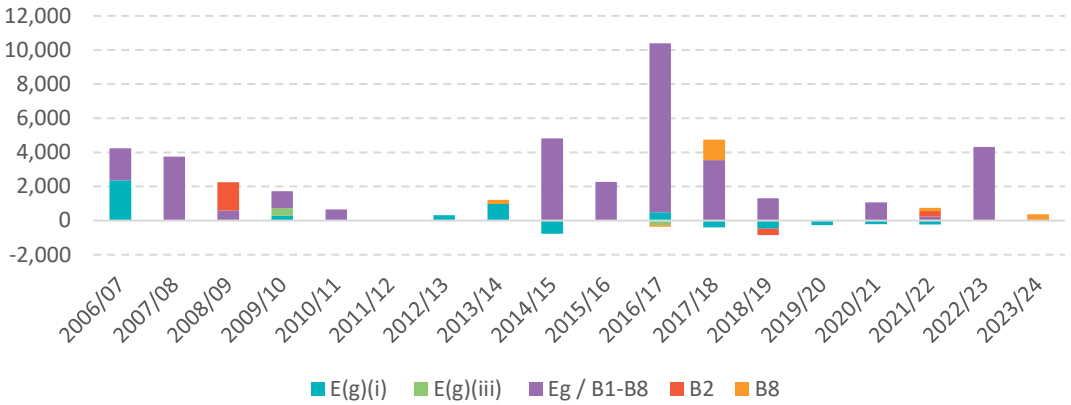
Figure 2.6 Net Completions of Employment Space in South Coastal Towns



Source: New Forest District Council (2024), Monitoring Data

2.16 The Avon Valleys & Downlands ('AV&D) sub area recorded a total net gain of c 41,150 sq.m (or c 2,290 sq.m per annum) of employment floorspace over the monitoring period, representing the highest level of completions amongst the sub-areas. The majority of this growth was attributed to mixed-use E(g) B1–B8 mixed-use schemes, accounting for 86% of the total. While the sub-area predominantly experienced net gains throughout the monitoring period, there were some instances of net losses in office floorspace, occurring across six of the monitoring years.

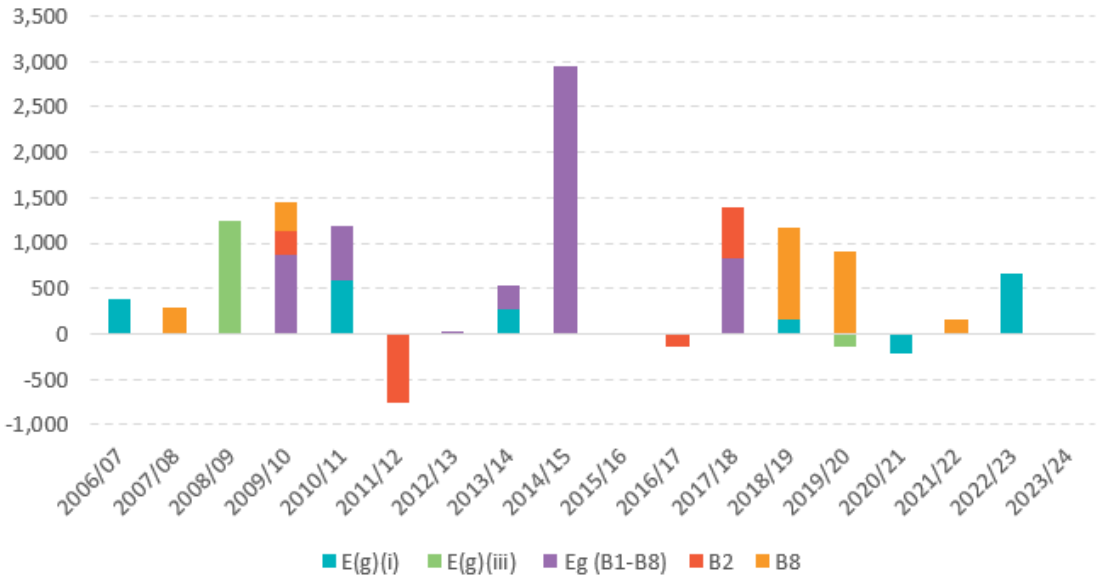
Figure 2.7 Net Completions of Employment Space in Avon Valleys & Downlands



Source: New Forest District Council (2024), Monitoring Data

2.17 The New Forest National Park recorded a total net completion of 11,160 sq.m over the monitoring period, representing the second highest level of completions among the four sub-areas, following Avon Valleys & Downlands. As with the other sub-areas, the largest contribution came from mixed-use employment space, totalling c 5,570 sq.m, followed by 2,690 sq.m of B8 floorspace and 1,850 sq.m of office space. On average, the annual net completion rate for the New Forest National Park over the 18-year period was 620 sq.m.

Figure 2.8 Net Completions of Employment Space in New Forest National Park



Source: New Forest National Park (2024), AMR

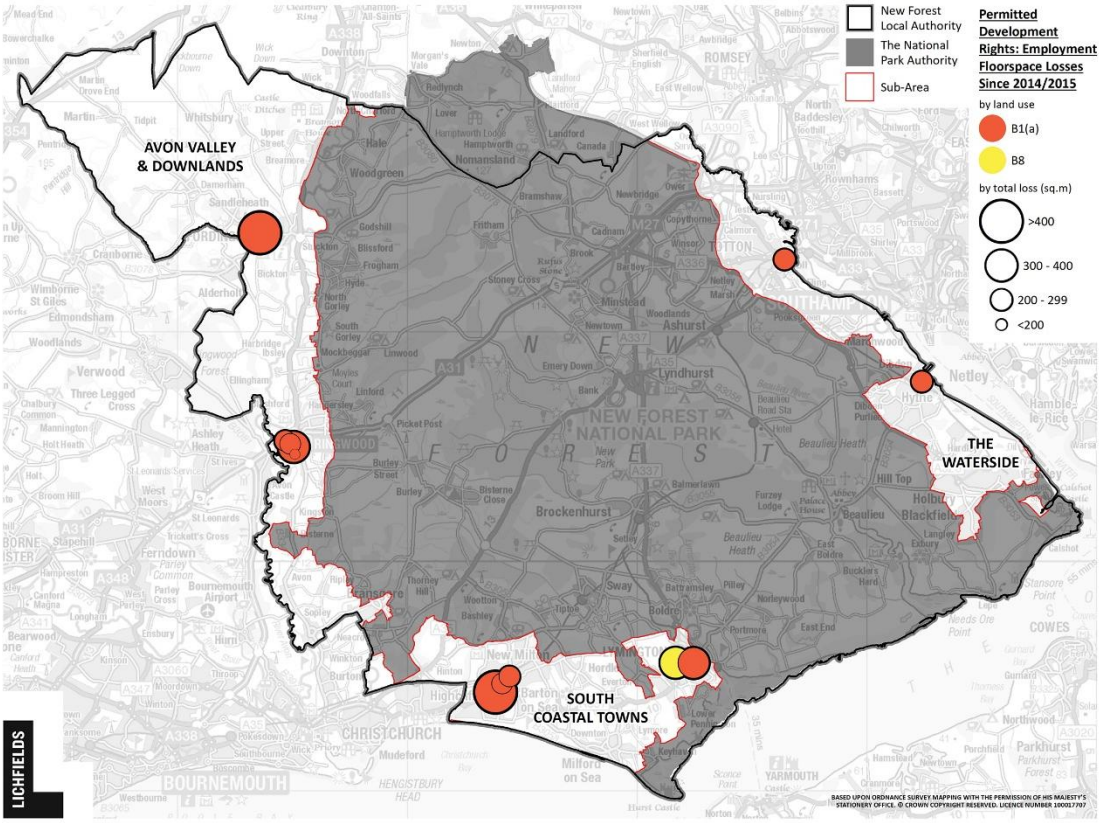
Permitted development and prior approvals

2.18 Permitted Development Rights ('PDR') are "*a national grant of planning permission which allow certain building works and changes of use to be carried out without having to make a planning application*" (PPG Reference ID:13-017-20140306).

2.19 Part 3 of Schedule 2 to the Town and Country Planning (General Permitted Development) (England) Order 2015, known as the General Permitted Development Order ('GPDO'), concerns change of use. There are several classes of permitted development, which includes conversion between employment uses and from employment uses to other uses, such as dwelling houses.

2.20 Since the introduction of PDR allowing for the change of use from offices to residential in 2013, 13 sites have received permission under the GPDO, resulting in the total loss of 4,030 sq.m of employment floorspace, of which c 3,670 sq.m was attributed to office floorspace and 360 sq.m to B8 floorspace. Figure 2.9 shows the locations of PDR prior approvals.

Figure 2.9 PDR within the New Forest sub areas



Source: New Forest District (2024) / New Forest National Park Authority (2024) / Lichfields analysis

2.21 Furthermore, the Authority Monitoring Reports for the New Forest National Park Authority indicate a steady but notable increase in office-to-residential conversions since the introduction of PDR in 2013. To date, at least 13 such conversions have been completed, collectively delivering approximately 49 new residential units. This includes a scheme in Netley Marsh, which accounted for 29 units, alongside a series of smaller-scale conversions — from individual dwellings to multiple-unit developments, such as the conversion of office space above retail premises on Lyndhurst High Street, which delivered six new homes.

Property Market Signals

National Outlook

2.22 Recent years have been turbulent for the UK commercial property market, with the effects of the Covid-19 pandemic compounded by rising running costs impacting rental values and a period of higher interest rates. However, there have been signs of recovery in business confidence and hence demand in the property market.

2.23 The RICS UK Economy Property Market report[4] for Q1 2025 indicates that overall market conditions remain subdued. In the office sector, occupier activity showed a modest rebound, with net tenant demand rising by 6% — a slight improvement over the previous quarter. However, this demand varies significantly based on the quality and location of office space. Grade A offices, particularly those with strong Environmental Social and Governance (ESG) credentials and in central locations, continue to attract interest from both occupiers and investors. These properties are experiencing steady take-up and rising rents.

2.24 In contrast, demand for secondary office space remains very limited, with low levels of leasing activity. The amount of space available for rent in this segment has increased. Looking ahead, prime office rents are expected to grow by 2.1% over the next 12 months — a slight upward revision — while secondary office rents are projected to fall by 2.6%. Investment demand for office properties also improved, with a net balance of +1% in Q1, recovering from negative territory in the previous quarter. Foreign investment demand has seen a slight uptick as well. Persistent challenges include economic uncertainty, rising construction costs and the ongoing impact of remote working.

2.25 In the industrial sector, market conditions remain relatively strong, though overall activity is moderate. Tenant demand recorded a slight uptick, reaching a net balance of +9%—a marginal improvement over the previous quarter. Available rental space grew only modestly. A persistent shortage of high-quality owner-occupier and small-unit properties continues to sustain demand in these segments, despite a broader increase in the supply of small and medium-sized units. This supply growth is largely driven by the repurposing of existing stock rather than new construction. While industrial demand remains strong, there are signs that its growth may be slowing in some areas.

2.26 Rental projections over the next 12 months remain positive, with prime industrial rents expected to rise by 2.2%. Rents for secondary industrial properties are also forecast to increase slightly, although expectations for this segment have been downgraded in recent quarters. Investment demand in the industrial sector saw a strong rebound in Q1, with a net balance of +18%, and foreign investor interest also showed a modest recovery.

2.27 Capital values for prime industrial assets are expected to rise by approximately 2% over the next year, while values for non-core industrial properties are likely to remain broadly stable. However, rising labour costs — including increases in National Insurance and the minimum wage — as well as higher rateable values, are putting pressure on industrial businesses and influencing their employment decisions.

[4] RICS (2025), UK Commercial Property Market Report

Local Office market

2.28 According to the latest CoStar data[5], the New Forest office market, which includes the entire study area, has a total office floorspace inventory of 116,650 sq.m. As of the latest reporting period, the market has a vacancy rate of 4.1%, representing a modest year-on-year decrease of 0.3%. Over the past 12 months, the submarket recorded positive net absorption of 12,000 sqft (1,110 sq.m), alongside 845 sq.m of newly delivered space.

2.29 Although the current vacancy rate is slightly above the three-year average for the area (3.9%), it remains below the broader South Coast market[6] average of 5.5%. The total inventory for the South Coast stands at approximately 1.3 million sqft. Rents in New Forest have risen by 1.5% over the past year, reaching an average of £15.80/sqft. Over a three-year period, rental growth has totalled 5.9%, outperforming the South Coast average of 5.6%. There are currently no office developments under construction within the local market, according to CoStar.

2.30 In capital terms, three office sales have been recorded in the New Forest market over the past 12 months. These properties sold at an average price of £142/sqft — above the estimated submarket value of £121/sqft. Notable recent sales include a 3-star property at 11 Salisbury Road, Headlands Business Park in Ringwood, which sold for £595,000, or £144/sqft. Of note, the properties sold were fully occupied at the time of sale.

Engagement with local agents

2.31 Consultation with local commercial property agents indicates that office space demand across New Forest District and within the National Park remains limited, reflecting the relatively small scale of the market. Agents consistently reported that the majority of demand relates to small-scale office units, typically under 250 sq.m.

2.32 A notable trend has emerged in rural areas, where agricultural buildings are increasingly being converted into office spaces to meet this demand. One recent example is a construction company, namely Tuakana, which converted an agricultural building for its office headquarters in the National Park. Additionally, there is some evidence of businesses relocating from New Milton to smaller premises in Lymington through the prior approval process. It was noted that the main market for office premises lies within Lymington, Lyndhurst and Brockenhurst. However, in the wider context, more activity is concentrated around Southampton and Bournemouth that are the key regional office markets.

2.33 Agents highlighted that there appears to be minimal appetite for new-build office schemes, with demand skewing toward the adaptive reuse of existing properties for office purposes. Furthermore, it was noted by agents that the Totton and Waterside area has experienced particularly weak office demand over the past year. One example cited was a speculative office scheme in Lymington, totalling approximately 17,000 sqft, which took a significant amount of time to let — highlighting limited interest in larger office units and a market largely driven by small-scale, locally focused demand.

[5] CoStar data accessed in May 2025

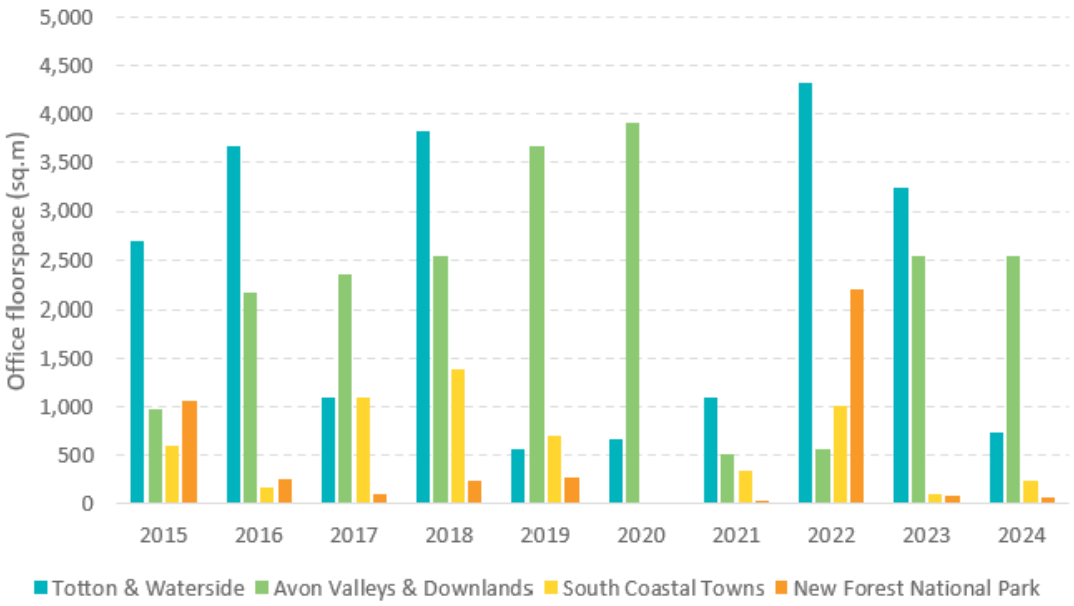
[6] The South Coast submarket in CoStar includes the following local authorities: Bournemouth, Chichester, Christchurch, East Dorset, East Hampshire, Eastleigh, Fareham, Gosport, Havant, Isle of Wight, New Forest, North Dorset, Portsmouth, Purbeck, Southampton, Test Valley, West Dorset and Weymouth & Portland.

Take-up and Net Absorption

2.34 Total office take-up (sales and leases) in New Forest from 2015 to 2024 amounted to c 53,500 sq.m (CoStar data). Totton & Waterside accounted for the largest share (40.9%), with 14 sales and 53 leases[7]. This area peaked in 2022 with 4,320 sq.m transacted and averaged 2,190 sq.m annually. Avon Valleys & Downlands followed closely, contributing 40.6% of total take-up, peaking in 2020 with 3,910 sq.m, and averaging 2,170 sq.m annually — comparable to Totton & Waterside.

2.35 South Coastal Towns and the New Forest National Park made up smaller shares, at 10.5% and 8.0%, respectively. The National Park recorded a high in 2022 with 2,190 sq.m, while South Coastal Towns peaked in 2018 with 1,380 sq.m. Annual averages were notably lower: c 560 sq.m for South Coastal Towns and 430 sq.m for the National Park.

Figure 2.10 Office Take up by sub-area, 2015-2024

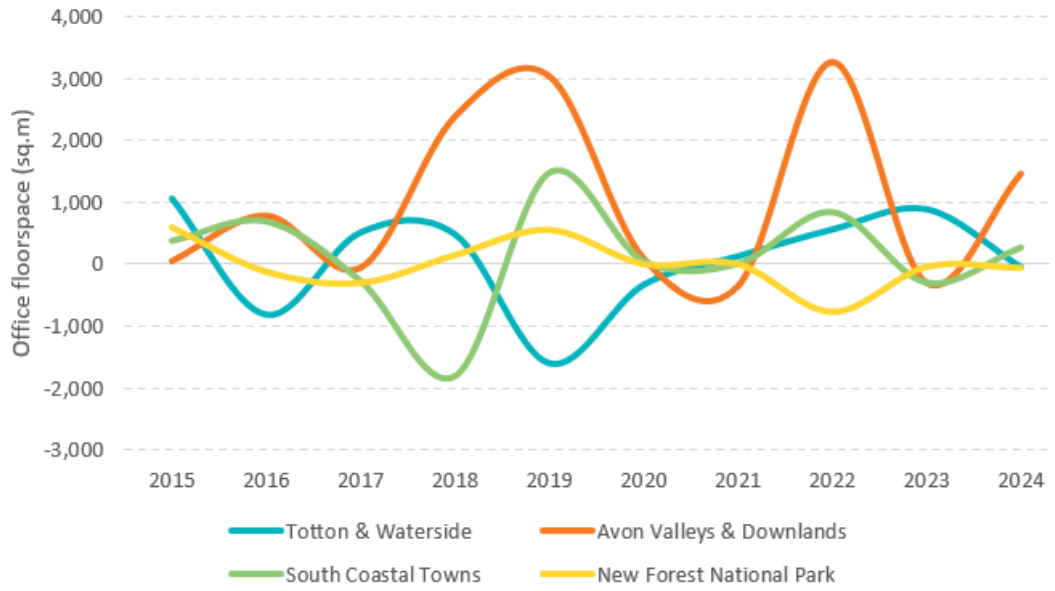


Source: CoStar (2025) / Lichfields analysis

2.36 Net absorption is defined by CoStar as the measure of total space occupied ('move-in') less the total space vacated ('move-out') over a given period of time. Lease renewals are not factored into net absorption but are included in the 'take-up' measure. Figure 2.11 shows net absorption by sub-area, with Avon Valleys & Downlands recording the highest annual average over the past decade at 1,030 sq.m, followed by South Coastal Towns at 140 sq.m and Totton & Waterside at 80 sq.m. In contrast, New Forest National Park recorded an average of almost nil.

[7] The CoStar data for T&W includes the four port sites.

Figure 2.11 Office Net Absorption by sub-area, 2015-2024



Source: CoStar (2025) / Lichfields analysis

Summary of Office Market Performance

2.37 Table 2.2 sets out the key property market indicators for the office market for each of the four sub areas. This highlights that:

a Totton & Waterside has a moderate vacancy rate of 4.3%, with relatively modern post-1970s office stock and stable rental values (£15.86/sqft), supported by an upward trend in net absorption in recent years.

b Avon Valleys & Downlands holds the largest office inventory and demonstrates the strongest long-term net absorption, although its older 1960s stock and lower quality rating are reflected in more modest rental levels (£15.07/sqft).

c South Coastal Towns records the lowest vacancy rate at 1.7% and the highest rents (£17.17/sqft), despite having an older stock (1960s) and only modest absorption rates.

d New Forest National Park has seen negative net absorption over both the 5- and 10-year periods, with 1950s stock and average rents (£15.64/sqft), indicating limited market demand or suitability for office use.

Table 2.2 Office Market Performance Indicators by sub-area

Sub-area	Total Inventory (sq.m)	10-year average Net absorption rate (2015-2024) (sq.m)	5-year Net absorption rate (2020-2024)	Floorspace Available (2025) sq.m	Vacancy Rate (%) (2025)	Rent (£ per sqft) (2025)	Average Quality (CoStar Star Rating)	Average Age of Stock	Main transactions
Totton & Waterside	26,470	80	239	1,170	4.3%	£15.86	3 stars out of 5 stars	1970s	In 2022, a property at 1 High Street, SO40

Sub-area	Total Inventory (sq.m)	10-year average Net absorption rate (2015-2024) (sq.m)	5-year Net absorption rate (2020-2024)	Floorspace Available (2025) sq.m	Vacancy Rate (%) (2025)	Rent (£ per sqft) (2025)	Average Quality (CoStar Star Rating)	Average Age of Stock	Main transactions
									9HL, totalling 2,025 sq.m, was sold for £4.5 million.
Avon Valleys & Downlands	38,970	1,030	830	2,020	5.2%	£15.07	2 stars out of 5 stars	1960s	In 2020, an office premises on Salisbury Road (BH24 3PB), measuring 1,140 sq.m, was sold.
South Coastal Towns	31,110	140	181	840	1.7%	£17.17	2 stars rating out 5 stars	1960s	In 2018, a 548 sq.m property at The Square, Lymington (SO41 9ND), was sold.
New Forest National Park	21,830	Almost nil (-1.4 sq.m)	-180	840	4.0%	£15.64	2 stars ratings out of 5 stars	1950s	In 2022, an office property on Ringwood Road (SO40 7HT), totalling 875 sq.m, was sold.

Source: CoStar (2025) / Lichfields analysis Note: rounded figures

2.38 Table 2.3 compares available office floorspace with the 10-year and 5-year average take-up rates for each sub-area. The findings highlight low supply across all sub-areas, and in particular:

a Totton & Waterside has the lowest availability, with less than half a year's supply under both metrics—indicating potential capacity constraints.

b Avon Valleys & Downlands has approximately 1 year of supply, aligning closely with demand.

c South Coastal Towns show a supply of between 1.5 and 2.5 years, depending on whether the 10-year or 5-year take-up rate is applied.

d New Forest National Park has close to 2 years' worth of supply based on both long- and short-term averages.

Table 2.3 Years of Available Office Supply by sub-area

	Totton & Waterside	Avon Valleys & Downlands	South Coastal Towns	New Forest National Park
Annual Average Take-up 2015-2024	2,190	2,170	560	430
Available Supply	1,170	2,020	840	840
Years of Available Supply	**0.5**	**0.9**	**1.5**	**1.9**
Annual Average Take-up 2020-2024	2,010	2,010	340	480
Available Supply	1,170	2,020	840	840
Years of Available Supply	**0.6**	**1.0**	**2.5**	**1.8**

Source: CoStar (2025) / Lichfields analysis Note: rounded figures

Local industrial market

2.39 The New Forest market has a total industrial floorspace inventory of 537,020 sq.m according to latest data from CoStar. Vacancy in the New Forest industrial market is 3.4% compared to a vacancy rate of 6.1% in the wider South Coast market. Meanwhile, the rate of increase in the broader market was 1.1%. During this period, 8,700 sqft (810 sq.m) has been delivered, and there has been 34,000 sqft (3,160 sq.m) of negative net absorption.

2.40 Average rents in the local market are approximately £10.90 per sq.ft, reflecting a 2.9% rise year-on-year. Over the past three years, rents have cumulatively increased by 17.2%. This places New Forest slightly above the South Coastal average of £10.60 per sq.ft. While no projects are currently under construction, the area has seen some development activity in recent years, with around 5,300 sq.m (57,000 sq.ft) of net new space delivered over the last three years.

2.41 Sales activity in the past year has been modest in value, totalling £525,000, which is relatively low when compared to neighbouring markets. This comprised four transactions, amounting to a total of 16,400 sq.m. Notably, recent sales have been concentrated on Brunel Road. One significant transaction was the sale of a property at Brunel Rd, South Hampshire Industrial Park, Totton (SO40 3SA), sold in September 2024 for £525,000 (£154 per sq.ft). This was an owner-occupied sale of a 1976-build that was fully vacant at the time of sale. Additionally, three further sales, all located on Brunel Road, were recorded in December 2024.

Engagement with local agents

2.42 Based on consultation feedback provided by local commercial property agents, the industrial property market in the New Forest District is characterised by modest, predominantly small-scale activity, with minimal large-scale planning applications coming forward. However, speculative industrial development appears limited and tends to emerge reactively — often linked to the redevelopment of agricultural land rather than proactive investment. In several instances, land initially earmarked for industrial use has instead

been progressed for residential development, reflecting stronger viability and demand for housing.

2.43 Agents also noted that speculative development has increasingly been shaped by sustainability standards, particularly for larger corporate occupiers. Where new builds occur, these are often targeted as they reduce operating costs. However, with many firms still occupying older stock, and a growing number facing financial pressures, this has led to longer vacancy periods.

2.44 Agents identified the Totton area as the primary location for industrial and distribution activity within the New Forest. The area attracts consistent demand across a range of unit sizes, typically between 1,000 sq.m and 2,000 sq.m, and is seen as effectively serving the wider Southampton industrial market due to its proximity to the M27 — particularly for logistics-based occupiers. Within the Totton and Waterside sub-area, key strategic sites such as Marchwood Port, Eling Wharf, and the Fawley Oil Refinery are controlled by a limited number of operators, which agents described as creating a "stranglehold" on available supply. There is particularly high demand for open storage sites, yet the market suffers from constrained availability in Totton and Waterside sub-area. On the other hand, one agent indicated that there is a supply of industrial and warehouses in the area with many second-hand and older stock experiencing longer availability than in previous years. This is in part a result of rents having increased significantly over the past five years post-pandemic and new stock becoming available on brownfield sites.

2.45 Agents were also asked about potential demand for sites near M27 Junction 2 at Netley Marsh. They highlighted this as a good location for logistics operators seeking to serve both the Southampton market and wider strategic distribution needs. The area benefits from direct access to the A326. Hampshire County Council's highway depot is currently located to the southeast of Junction 2. As part of the 2024 Call for Sites for the Local Plan review and the Regulation 18 Issues and Scope consultation 2025, three sites near M27 Junction 2 were promoted, including approximately 14.5ha of land northwest of Junction 2, 22ha of land southwest of Junction 2 and 3.5ha to the southeast of Junction 2, adjacent to the existing depot. Agents generally agreed that these sites would be well-suited for strategic logistics uses if they were to come forward for development.

2.46 Outside of the Totton & Waterside area, the industrial market is more locally focused, catering to small businesses including construction and also port-related businesses seeking storage or industrial units, typically around 500 sq.m, with a preference for freehold opportunities. Existing industrial estates in New Milton, Lymington, and Ringwood were noted to serve localised markets, with limited interest from larger or regional occupiers. Agents highlighted that demand across these areas is highly labour-driven—firms often choose locations based on where their workforce lives rather than on strategic distribution advantages. This has led to stronger localised demand in places like Lymington, despite limited stock.

2.47 In Ringwood, new industrial units have recently been built over the past five years and taken up quickly by local businesses, illustrating a responsive but modest scale of growth. In contrast, the northern part of the district, including Fordingbridge, was noted to exhibit very limited industrial demand as they are quite isolated, with small villages providing small-scale industrial units and far from key transport networks connecting to the main active markets (i.e. Bournemouth and Southampton).

2.48 Another notable trend is the increased use of existing agricultural buildings for B8 (storage and distribution) uses, particularly around Lymington. These often cater to niche markets such as boat and classic car storage, typically using discreet rural structures. These conversions are long-standing and serve a steady, if limited, demand. Interest in logistics-related uses is also reportedly growing, including within the National Park, although such activity remains at an early stage and largely informal. Occupier demand across the district has shifted notably in the last 9–12 months, with stronger interest in smaller units—generally under 3,000 sq.m and particularly sub-1,000 sq.m—which agents described as the "bread and butter" of the local market. By contrast, demand for mid-box units (e.g. 6,500 sq.m to 7,000 sq.m), which was strong 18 months ago, has declined, with fewer occupiers in the market for larger footprints.

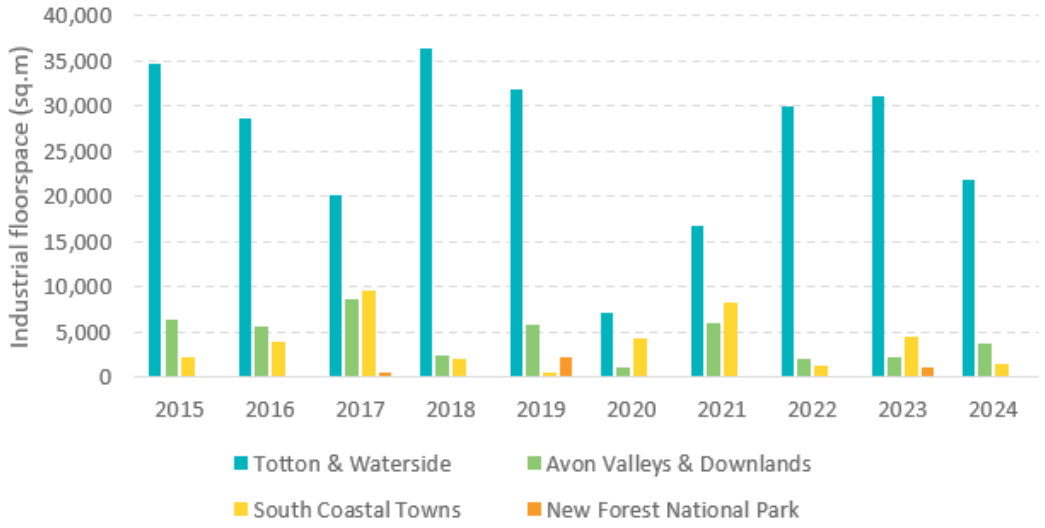
2.49 Overall, new build industrial development is rare (with the exception of Totton & Waterside), and most industrial activity involves the reuse or repurposing of existing assets rather than significant new development.

Take up and Net Absorption

2.50 Total industrial take-up (sales and leases) in New Forest from 2015 to 2024 amounted to 344,360 sq.m (CoStar data). Totton & Waterside accounted for the largest share (75.0%), with 57 sales and 131 leases. This area peaked in 2018 with 36,320 sq.m transacted and averaged 25,830 sq.m annually. Avon Valleys & Downlands saw the second highest take up, however, only contributing 12.7% of total take-up, peaking in 2017 with 8,560 sq.m, and averaging 4,380 sq.m annually—significantly lower than Totton & Waterside.

2.51 South Coastal Towns and the New Forest National Park made up smaller shares, at 11.1% and 1.2% respectively. The South Coastal Towns recorded a high in 2017 with 9,520 sq.m, while New Forest National Park peaked in 2019 with 2,286 sq.m. Annual averages were notably lower: 3,810 sq.m for South Coastal Towns and 420 sq.m for the National Park.

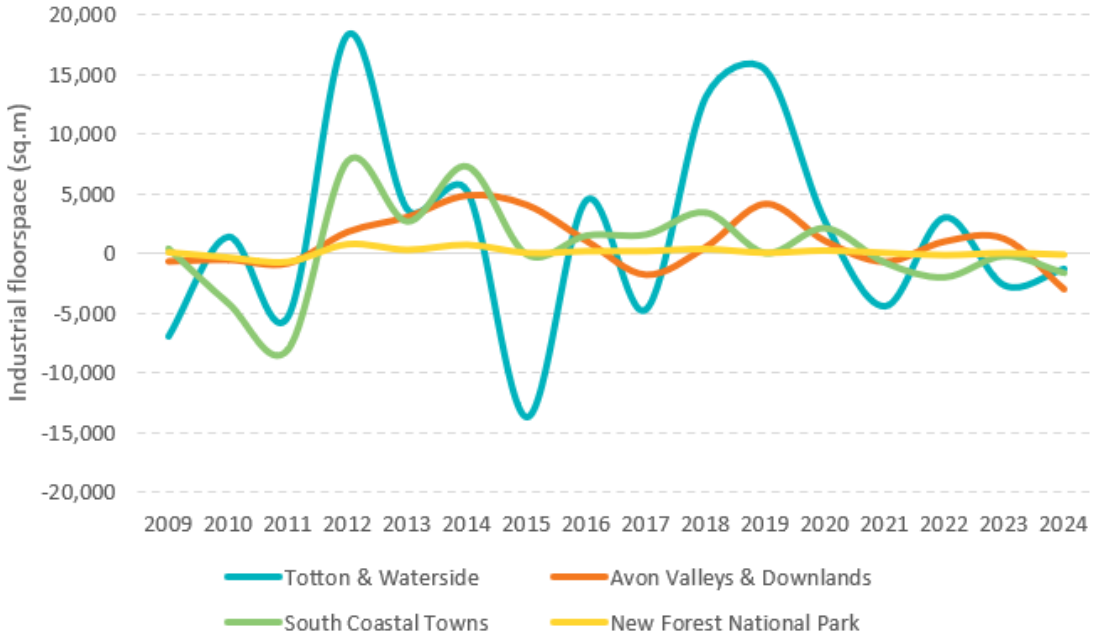
Figure 2.12 Industrial Take up by sub area, 2015-2024



Source: CoStar (2025) / Lichfields analysis

2.52 Figure 2.13 shows net absorption by sub area, with Totton & Waterside recording the highest annual average over the past decade at 1,210 sq.m, followed by Avon Valleys & Downlands at 710 sq.m and South Coastal Towns at 450 sq.m. New Forest National Park recorded the lowest annual average of 50 sq.m.

Figure 2.13 Industrial Net Absorption by sub area, 2009-2024



Source: CoStar (2025) / Lichfields analysis

Summary of Industrial Market Performance

2.53 Table 2.4 sets out the key industrial market indicators across the study area. Totton & Waterside has the largest industrial inventory in the area at over 300,000 sq.m, though recent performance has declined, with a negative 5-year net absorption rate and a low vacancy rate of 2.0%, indicating tight supply despite ageing stock and moderate rental values of £10.94 per sq.ft. Avon Valleys & Downlands shows signs of market contraction, with both 10- and 5-year net absorption rates in negative territory, a relatively high vacancy rate of 6.4%, and average rents of £10.97 per sq.ft, reflecting weak demand across a modest industrial base.

2.54 South Coastal Towns also displays weak recent demand, with a negative 5-year absorption rate and a vacancy rate of 4.5%, though rents remain slightly higher at £10.99 per sq.ft, suggesting some resilience in rental values despite subdued take-up. New Forest National Park stands out with positive recent net absorption and the smallest inventory, reflecting limited but steady demand; its vacancy rate of 3.0% and lower rent of £9.59 per sq.ft point to a more constrained, locally driven industrial market.

Table 2.4 Industrial Market Performance Indicators by sub area

Sub area	Total Inventory (sq.m)	10-year average Net absorption rate (2015-2024) (sq.m)	5-year Net absorption rate (2020-2024)	Floorspace Available (2025) sq.m	Vacancy Rate (%) (2025)	Rent (£ per sqft) (2025)	Average Quality (CoStar Star Rating)	Average Age of Stock	Main Transaction
Totton & Waterside	303,780	1,210	-2,580	15,140	2.0%	£10.94	3 stars out of 5	1990s	In 2022, a property on Bulls Copse Road (SO40 9LR) with a total floorspace of 11,640 sq.m was sold. Followed by a sale in 2023 of 10,230 sq.m of industrial floorspace Salisbury Road (SO40 2RW).
Avon Valleys & Downlands	88,880	710	-690	3,780	6.4%	£10.97	3 stars out of 5	1990s	In 2017, three properties on Southampton Road (BH24 1JS) were sold, with a combined floorspace of 4,900 sq.m.
South Coastal Towns	101,980	450	-440	4,370	4.5%	£10.99	3 stars out of 5	1980s	In 2023, three industrial units on Ampress Lane (SO41 8LW), totalling 1,950 sq.m, were sold.
New Forest National Park	7,750	130	370	300	3.0%	£9.59	3 stars out of 5	1980s	In 2019, an industrial property on Station Approach (SO42 7TW) of 1,140 sq.m floorspace was sold.

Source: CoStar (2025)/ Lichfields analysis Note: figures rounded

2.55 Meanwhile, Table 2.5 compares available industrial (including light industrial and distribution) floorspace with the 10-year and 5-year average take-up rates for each sub-area. The findings highlight significant differences in supply levels:

- Totton & Waterside has the lowest availability, with less than 1 year of supply under both long- and short-term averages — highlighting potential pressure on capacity.
- Avon Valleys & Downlands has between 0.9 and 1.2 years of supply, broadly in line with recent take-up trends and suggesting a relatively balanced market.
- South Coastal Towns maintains around 1.1 years of supply based on both the 10-year and 5-year averages, reflecting steady demand and availability.
- New Forest National Park has between 0.7 and 1.2 years of supply, modestly above recent take-up levels, consistent with a low-activity but stable market.

2.56 This comparison suggests Totton & Waterside may require additional industrial development to accommodate future demand, while other sub areas show relatively sufficient supply levels.

Table 2.5 Years of Available Industrial Supply by Sub-area

	Totton & Waterside	Avon Valleys & Downlands	South Coastal Towns	New Forest National Park
Annual Average Take-up 2015-2024	25,830	4,380	3,810	420
Available Supply	15,140	3,780	4,370	300
Years of Available Supply	**0.6**	**0.9**	**1.1**	**0.7**
Annual Average Take-up 2020-2024	21,300	3,030	3,950	260
Available Supply	15,140	3,780	4,370	300
Years of Available Supply	**0.7**	**1.2**	**1.1**	**1.2**

Source: CoStar (2025) / Lichfields analysis

Summary

2.57 The key points in terms of commercial property market trends and dynamics in the study area can be summarised as follows:

1 As of March 31 2023, the total stock of employment floorspace (office and industrial) in the New Forest District, based on VOA data, stood at approximately 786,000 sq.m. Of this, industrial space comprised 85.9% (675,000 sq.m), while offices accounted for 14.1% (111,000 sq.m). Over the past 20 years, the area experienced a 14.9% increase in employment floorspace (102,000 sq.m), whereas the broader Solent area recorded a 7.3% decline during the same period.

2 Based on VOA rating lists data (2023), the Totton & Waterside sub-area is the key employment hub, accommodating 62.5% of all employment floorspace. This sub area also houses the majority of the B8 distribution space and open storage space across the study area as a whole.

3 The monitoring of net development rates covering the period from 2006/07 to 2023/24 shows that Avon Valleys & Downlands had the most substantial net gain at +41,150 sq.m. The remaining sub areas have modest gains varying between 5,420 sq.m and 11,160 sq.m across the same period.

4 Since 2013, Permitted Development Rights (PDR) which enable conversion from office to residential uses, have resulted in the loss of 4,030 sq.m of employment space, of which 3,670 sq.m was office space. Within the National Park, there have been at least 13 office-to-residential conversions, creating approximately 49 residential units.

5 The office market in the New Forest has a vacancy rate of 4.1%, which is below the South Coast average of 5.5%. Over the past three years, rents have increased by 5.9%, slightly above the regional average of 5.6%. Among the different sub-areas, Avon Valleys & Downlands recorded the highest long-term (10-year) average net absorption,

whereas the National Park showed a negative net absorption. South Coastal Towns had the lowest vacancy rate (1.7%) and the highest average rents (£17.17/sqft).

6 Local commercial property agents consistently reported that demand for office space in New Forest District and National Park remains limited, primarily of small-scale office units, typically under 250 sq.m. Agents noted minimal interest for new-build office schemes, with demand instead favouring the adaptive reuse of existing properties, including conversions of agricultural buildings, particularly in rural areas. Furthermore, Totton & Waterside experienced notably weak office demand over the past year, reinforcing the broader pattern of limited market activity for larger units.

7 The industrial market in the study area as a whole reported a vacancy rate of 3.4%, with rents rising by 17.2% over the past three years. While Totton & Waterside has historically led industrial space take-up, it has seen negative net absorption over the last five years. This sub area also has the lowest availability of both office and industrial space, with less than one year's supply available, indicating possible capacity constraints and a need for additional development.

8 Agents characterised the industrial property market by modest, predominantly small-scale activity, with limited speculative development often emerging reactively from agricultural land redevelopment. Totton was identified as the primary location for industrial and distribution activity due to its proximity to the Port of Southampton and the M27, but agents noted a "stranglehold" on available supply in key strategic sites within Totton & Waterside, alongside high demand for open storage. Occupier demand has shifted towards smaller units (under 3,000 sq.m, especially sub-1,000 sq.m), while new build industrial development is rare outside Totton & Waterside, with most activity involving the reuse or repurposing of existing assets.

3.0 Land and Premises Review

3.1 This section considers the existing employment land supply, drawing on a site survey assessment prepared by the New Forest District Council and New Forest National Park Authority.

Site Survey

3.2 The Authorities have prepared a detailed survey and assessment of existing employment use classes (Eg)/B2/B8. The survey work was carried out in mid-2025 and used a scored criteria-based approach to assess multiple characteristics and variables for each identified site. This includes assessing sites by the following criteria:

Assessment Criteria:

Character of site/area, quality of local environment, quality of building stock, site prominence, road access, public transport access, proximity to local amenities, impact on locality, environmental constraints and economic constraints.

Scoring:

The criteria are assessed using a numerical scale from 1 (indicating low quality) to 5 (indicating high quality), which are added to give each site an overall score.

Each site could potentially score between 10 and 50 points. Sites that score 40 or higher are considered high quality, sites that score between 35-39 are above average, 25-34 are average, 20-24 are below average, and anything below 19 is considered low quality.

3.3 A summary review of the overall findings of the survey assessment is set out below. The full survey methodology, findings, and the pro-forma assessment for each site are published in a separate report for each Authority.

New Forest District (Outside of the National Park)

3.4 A total of 90 existing employment sites were surveyed and assessed by New Forest District Council. The overall total scores for the 90 surveyed sites range from 20 to 43 points. Table 3.1 summarises the spread of quality scores. The majority of employment sites are of at least average quality (54% of total sites) and generally meet business needs across the District. The overall position is that 91% of all existing sites surveyed were categorised as average or higher quality. Only eight sites fell into the below-average category, with no sites classified as low quality.

Table 3.1 Overall Score of Quality of Employment Site in New Forest District

Score	No.	%
High	13	14%
Above Average	20	22%
Average	49	54%
Below Average	8	9%
Low	0	0%
Total	**90**	**100%**

Source: New Forest District Council, Employment Sites Assessment (2025)

3.5 Of the 13 sites that ranked as high quality (total score of 40 and above) generally exhibit characteristics that align with good market attractiveness, access to infrastructure, and minimal negative impacts on surrounding areas. A summary of the characteristics of some of the key performing sites is highlighted below:

- **RING06 Pullman Business Park (Score of 43):** Located on Embankment Way/Pullman Way in Ringwood, this 1.71-hectare site is an established commercial location with relatively modern buildings in good condition, ample parking, high visibility, and excellent accessibility to main roads and public transport, along with being within walking distance of the town centre and having minor impact on residential properties.
- **RING04b Pintail Business Park (Score of 41):** This 0.32-hectare site on Christchurch Road, Ringwood, is a small, modern business park located within an established commercial area. It features high-quality, modern premises with adequate parking and some landscaping. The site adjoins Christchurch Road, providing good access, and is well-occupied. There are no known environmental constraints on its development, and it is fully and intensely developed with limited scope for further expansion.
- **TOT04 Rushington Business Park: (Score of 41):** Situated on Rushington Lane / Chapel Lane in Totton and Eling, this 8.59-hectare site is an established industrial location. It features modern premises with a smart frontage, making it highly visible as a gateway to Totton. The business park boasts direct access onto the main road and is well-occupied, with no known environmental or economic constraints on development. It is considered an important site for meeting employment needs and has limited room for expansion as it is fully developed.
- **LYM01 Ampress Park (Score of 40):** This established commercial area in Lymington, located on Ampress Lane / Wellworthy Road, spans 12.05 hectares. An established and well-designed site with good parking, some new or refurbished units, and a "gateway" location, supported by public transport. While it has some flood zone and habitat constraints, it has low vacancy and meets business needs.

3.6 The eight sites classified as below-average (scoring 24 or lower) shared common issues, including poor building quality and conditions that would require significant investment or even demolition to meet current business needs. Many lacked adequate parking and featured unmade roads or tracks, reflecting poor infrastructure. Access was also a recurring challenge, with narrow entry routes limiting usability. Additionally, several sites were closely bordered by residential areas, increasing the potential for negative impacts on neighbouring properties.

3.7 A summary of key characteristics from some of the poorest performing sites in the District is provided below:

- **HOR01 Kings Farm (Score 20):** Kings Farm is a secluded site (0.97 ha) in a rural residential area near Hordle, accessed via unmade tracks and narrow roads. Buildings are of mixed, generally low-quality and would require substantial investment. Located in the Green Belt and adjacent to a SINC, the site faces environmental and policy constraints. Despite this, it remains in use and serves its current occupiers.

- **OWER01 Shelley Farm (Score 20):** Shelley Farm is a remote rural site (0.89 ha) featuring converted farm buildings of mixed and generally poor quality. Access is difficult via a narrow private road, and the site lacks landscaping and visibility. Its isolated location limits its potential for further utilisation, though it remains well-occupied and continues to meet current business needs.
- **SAND02 Courtwood Farm (Score 20):** Courtwood Farm is an untidy rural site (1.4 ha) near residential properties, with low-quality buildings and limited access down a poor-condition road. The site sits below road level, is largely screened by woodland, and is within the Cranborne Chase National Landscape and adjacent to a SINC. Despite its environmental constraints, it is a long-standing employment site with consistent occupancy.
- **TOT08 Brokenford Lane Industrial Estate (Score 20):** Located at the end of a residential cul-de-sac, Brokenford Lane Industrial Estate (0.82 ha) suffers from poor building quality, inadequate parking, and flood risk (within Zones 3a/3b). Access is limited, and its untidy condition impacts negatively on nearby homes. While unsuitable for intensification or alternative uses, it remains in active use by established occupiers.

3.8 The quality of buildings across the surveyed sites was assessed, as summarised in Table 3.2. The results indicate that the largest proportion (43%) of sites were rated as having average building quality (scoring 3 out of 5). Additionally, 14% of sites were assessed as having above-average to high-quality buildings, while only 4% of sites were rated at level 1, indicating poor building quality.

Table 3.2 Quality of Building Stock in New Forest District

Score	No.	%
5	8	9%
4	13	14%
3	39	43%
2	26	29%
1	4	4%
Total	**90**	**100%**

Source: New Forest District Council, Employment Sites Assessment (2025)

3.9 In terms of sites with potential for redevelopment, the assessment identified 31 sites[8] as having some form of potential for development, intensification or expansion. This includes several sites in Fawley near the oil refinery; however, most of these vacant sites are reserved for uses related to the petrochemical industry. Other sites included Marchwood Industrial Park and Cracknore Industrial Park, where there are opportunities for intensification of uses on the site. Gordleton Industrial Park in Lymington, which has potential for expansion on the land in the southern part of the site that has planning permission for employment development. There are also a few allocated sites for employment, which have capacity for redevelopment and intensification.

[8] The Council's survey includes the port sites. Limited commentary is provided herein, but these sites are subject of the Ports and Marine Business Need Assessment. The supply position presented in this report aligns with the findings of the aforementioned assessment.

3.10 Similarly, the assessment identified 5 sites that have been recommended for release, totalling c 6.2 ha:

1 **ASH03 Ashford Works (0.35 ha, AV&D):** This site is recommended for release should current uses vacate because its buildings are generally in very poor condition, the site access is very narrow, and its location and condition make it unlikely to be attractive to potential future businesses if the remaining occupiers leave. It is also fully developed and tightly surrounded by residential development, limiting new employment or intensification, and is identified on the Brownfield Land Register as potentially suitable for residential redevelopment.

2 **FORD04 Arch Farm Industrial Estate (0.47 ha, AV&D):** The site review concludes that it should be considered for release if the remaining car repair business ceases operations. Part of the site has already been redeveloped into a bar/café.

3 **HAR04 Travis Perkins (0.69 ha, T&W):** It is suggested to "*consider for release should the current occupier vacate the site or relocate*". The site is not particularly suitable for its current use due to narrow access roads and residential properties abutting it on three sides, and redevelopment for residential use may be a more effective use given the site's residential context. The buildings are also described as 1960s/70s and looking rather shabby, likely requiring redevelopment.

4 **LYM12 Sanders Sails (4.22 ha, SCT):** The site review recommends the site for release if its current users vacate the site due to its constrained nature in a largely residential area, its irregular shape, narrow access, and workshop buildings likely needing investment/replacement. Its current industrial use is not particularly appropriate, given the possibility of detriment to surrounding residential properties in very close proximity.

5 **TOT11 NFDC Claymeadow Depot (0.49 ha, T&W):** This former depot site is recommended for release because it is located within a residential area away from other commercial uses, and its access road is not well-suited for frequent industrial traffic. Residential development is considered more likely to be appropriate and achievable than an alternative employment use.

New Forest National Park Authority

3.11 A total of 40 existing employment sites were surveyed and assessed by the Authority. The overall scores range from 19 to 41 out of possible 50. Table 3.3 summarises the spread of quality scores overall. It should be noted that although 40 sites were surveyed, two sites did not receive scores as they had been lost to residential uses and were no longer employment sites. The majority of employment sites are of at least average quality (53% of total sites) and are generally meeting business needs across the National Park. The overall position is that 84% of all existing sites surveyed were categorised as average or higher quality. Only 5 sites fell into the below-average category, and 1 site was classified as low quality.

Table 3.3 Overall Score of Quality of Employment Site in New Forest National Park

Score	No.	%
High	1	3%
Above Average	11	29%
Average	20	53%

Score	No.	%
Below Average	5	13%
Low	1	3%
Total	**38**	**100%**

Source: New Forest National Park, Employment Sites Assessment (2025)

3.12 Above-average and high-performing employment sites (scoring 35 or above) within the National Park share several key characteristics. They are typically well-located, either within or on the edge of village centres or along main roads, offering strong accessibility via road networks and public transport. These sites often benefit from good visibility and prominence. The buildings are generally modern, well-maintained, or recently refurbished, with adequate parking provision. Most sites have stable, long-standing occupiers, indicating consistent employment use, with recent planning activity often signalling continued investment or growth. These sites tend to, in many cases, present potential for further intensification, expansion, or regeneration in ways that are compatible with their surrounding context. However, it is also recognised that these sites are located within a nationally protected landscape, which carries the highest level of protection in relation to landscape and scenic beauty (NPPF, paragraph 189).

3.13 A summary of the key characteristics from the top-scoring sites in the National Park is provided below:

- **NP16 Meridien Modena, Lyndhurst (Score: 41):** A prominent site (0.14 ha) in Lyndhurst's village centre with modern, attractive buildings used as a car showroom. It has adequate parking, high visibility, and excellent public transport access. Located in a conservation area with a historic building, it has no constraints and it offer scope for appropriate intensification subject to consideration of the built environment designations.
- **NP19 Ocknell House, Clayhill, Lyndhurst (Score: 38):** A prominent mixed-use site (0.536ha) with 1980s offices, located on the A337 near Lyndhurst. It features good parking and landscaping, excellent access, and is close to the village facilities and public transport. The site offers a stable occupation, though expansion options may be limited.
- **NP23 Mortimers Farm Industrial Estate, Ower (Score: 38):** A small industrial estate (0.4ha) with modern units and good condition sheds. The site has excellent road access, is close to the motorway, and is located in a countryside setting with no known constraints. Its commercial use is well-established, with potential for expansion based on business need.

3.14 There are six sites within the National Park which have scored below average and low-quality (24 and below). The shared characteristics of these sites are that they are in poor physical condition, with dilapidated buildings, minimal landscaping, and informal parking. Many are in remote or hidden rural locations with poor road access and limited connectivity. Public transport links and nearby services are scarce, and the sites are frequently constrained by adjacent residential areas, countryside settings, or conservation designations. These factors, combined with restricted site boundaries, generally limit their potential for meaningful expansion or redevelopment. However, it is noted that many of the low-performing sites are well-occupied and meet local business needs.

3.15 A summary of the key characteristics from the low-performing sites in the National Park is provided below:

- **NP20 Estate Yard, Longdown, Denny Lodge (Score: 19):** An isolated rural site (0.09ha) with older buildings and limited access, far from main roads and facilities. The site's remote location and poor quality of road and pedestrian infrastructure reduce its appeal. It contributes to the supply of small-scale employment sites, but expansion is only considered justifiable where there is a clear business need.
- **NP30 R D Avery, New Road, Landford (Score: 23):** Situated behind residential properties, this rural site (0.39ha) contains metal-clad sheds with poor access and no landscaping. Infrequent public transport and nearby dwellings limit development potential, though it remains in use by the same business.
- **NP37 Tower Farm, Barrow Lane, Sway (Score: 24):** A larger rural site (1.22ha) with deteriorated sheds, no parking or landscaping, and difficult access. It lies in a Conservation Area and may impact nearby homes and countryside. Despite poor quality, it remains in use, with recent permission granted for modest expansion.

3.16 The quality of buildings across the surveyed sites was assessed, as summarised in Table 3.4. The results indicate that the largest proportion (i.e., 53%) of sites were rated as having average building quality (scoring 3 out of 5). Additionally, 14% of sites were assessed as having above-average to high-quality buildings. Meanwhile, more than a third (34%) were rated at levels 1 and 2, indicating poor building quality.

Table 3.4 Quality of Building Stock in New Forest National Park

Score	No.	%
5	1	3%
4	4	11%
3	20	53%
2	6	16%
1	7	18%
Total	**38**	**100%**

Source: New Forest National Park, Employment Sites Assessment (2025)

3.17 Out of the 40 sites surveyed, approximately 30 were found to have potential for some form of redevelopment, refurbishment, or on-site intensification. For many of these sites, future expansion depends on the level of business demand. Others face no significant environmental constraints and could accommodate expansion. For example, the NP8 Brookley Road site in Brockenhurst, which has recently refurbished its premises and is now seeking permission to extend its MOT services.

3.18 Regarding potential site releases, the limited availability of employment land within the National Park means that even lower-scoring sites are not being considered for release, as they continue to meet local business needs. Of the 40 sites surveyed, two have already been lost to residential development. These are:

- **NP6 Ex Redmayne Engineering Co, Station Approach, Brockenhurst:** The 0.2 ha site has been demolished and has been developed for housing over two stages, planning permission for the first stage (18/00497) granted in April 2019 and the second stage (21/00164) granted in 2021.

- **NP21 Carlton House, Ringwood Road, Netley Marsh:** Prior approval was granted in 2020 for the change of use of an office building to deliver 31 residential units with the following dwelling mix: 9x 1 bed and 19x 2 bed and 1x 3-bed properties (20/00194).

Summary

3.19 The following key points emerge from the site assessment process:

1 Overall, the site assessments indicate a generally healthy supply of employment land across the study area, with many sites offering potential for future intensification or redevelopment. Although some sites face physical or locational constraints, their continued use reflects their importance in supporting the local economy.

2 In the New Forest District, 91% of the 90 sites surveyed were found to be of average or higher quality, with only eight sites falling below this threshold and none classified as low quality. High-performing sites such as Pullman Business Park and Ampress Park demonstrated strong locational and physical attributes. Conversely, lower-scoring sites typically suffered from limited infrastructure, poor building conditions, and constrained access. A total of 31 sites were identified with potential for redevelopment or expansion, while five were recommended for policy release totalling 6.2 ha.

3 Within the New Forest National Park, 38 of the 40 surveyed sites remain in employment use, with 84% meeting at least average standards. High-quality examples like Meridien Modena and Mortimers Farm Industrial Estate show good accessibility, good building conditions, and low vacancy. While a small number of sites were classified as low or below average, they continue to serve local needs and are not currently proposed for release due to the limited employment land supply. Two sites have been lost to residential development.

4.0 The Current and Future Labour Market

4.1 This section reviews the current and future labour market position in the New Forest.

Labour Market Overview

4.2 In terms of the labour market in New Forest (as a whole), the New Forest Economic Profile published in 2022[9] highlights that the labour market has a relatively high employment rate (76.2% in 2021) compared to the UK (74.7%), although it is lower than that of Hampshire (79.6%). This gap with Hampshire has widened since 2017, partly due to the greater impact of the pandemic in the New Forest and a slower recovery. Economic inactivity (20.6% in 2021) is a bigger challenge than unemployment (3.5% in 2021), with a rate higher than that of Hampshire.

4.3 The Economic Profile study assess the District and National Park under five economic sub areas, namely a) Core New Forest, b) New Forest Avon Valley, c) New Forest Coastal, d) New Forest Waterside and e) Totton. It should be highlighted that these five economic sub areas differ from the Local Plan sub-areas. Each has distinctive characteristics in terms of economic composition and labour market: from areas focused on tourism and rural areas to more industrialised areas and urban centres. Performance and labour market characteristics vary significantly between these sub-areas. Most sub-areas, with the exception of the Core New Forest, experience a net outflow of workers, with this outflow being higher in New Forest Waterside and Totton due to their proximity to Southampton as a major employment centre. The report suggests that the New Forest Avon Valley, Totton and Core New Forest tend to have higher employment rates than the New Forest Waterside and New Forest Coastal.

4.4 Sectoral employment concentrations also differ: the Core New Forest shows a concentration in public services and hospitality/leisure, with the National Park area also showing a notable share of employment in land-based activities such as agriculture, forestry, and equine industries. The New Forest Avon Valley is notable for its concentration in knowledge-intensive ('KI') sectors and land-based activities; the New Forest Coastal focuses on local services such as care and retail; and the New Forest Waterside and Totton concentrate activity on manufacturing, transport, and warehousing.

4.5 The study area as a whole has concentrations of employment (more than 20% above the UK average) in five of the six key sectors identified: marine, advanced manufacturing, care, hospitality and leisure, and land-based activities. In contrast, the area has an under-representation of employment in high-value-added services ('HVATS') (11%) compared to Hampshire (19%) and nationally (16%). This is observed in the Information and Communications Technology (ICT) and Finance and Insurance sectors. Under-representation in HVATS hampers productivity growth and economic growth.

4.6 In terms of population demographics, the Economic Profile states that the study area is characterised by a population that is significantly older and ageing at a faster rate compared to the average for Hampshire and the UK. This translates into a noticeably older age distribution. In 2021, 30% of the area's population was aged 65 or over, compared to 21% in

[9] NFDC (2022), The New Forest Economic Profile 2022

Hampshire and 19% in England. There is a smaller population in the working age (16-64 years) and youth (0-15 years) ranges compared to benchmarks.

4.7 In terms of the sub-areas, Totton has a similar age distribution to Hampshire and the UK, while the Core New Forest, Coastal New Forest and Rural New Forest have larger older populations and smaller younger populations. A notable example is the New Forest Coastal, where nearly one in five residents is aged 75 or over, double the national average.

4.8 According to the 2018 ONS population projections[10], the number of residents aged 65 and over in the study area is expected to increase by 21.1% between 2025 and 2043—an additional 12,200 people in this age group. In 2025, there are 57,708 residents aged 65+, representing 31.6% of the total population. By 2043, this group is projected to make up 37.3% of the population. In contrast, the overall population of the New Forest is projected to grow by just 2.7% over the same period.

Commuting Patterns and Labour Mobility

4.9 Origin and destination data from the ONS provides information on commuting patterns. While the 2021 Census provides the most up-to-date commuting data, the Census was collected during the Covid-19 induced national lockdown when working patterns were disrupted and while the Government furlough scheme was in operation. Therefore, the ONS advises against the use of the 2021 Census commuting data for planning purposes[11]. For the purposes of this study, commuting data from the 2011 Census has also been used due to the potential unreliability of the 2021 Census data.

4.10 At the time of the 2011 Census, New Forest District was characterised as being a net exporter of workers, with around 7,400 more people commuting out of the District for work than commuted in. In total, around 22,800 people commuted into the District for work, while 30,200 people commuted out. The local authorities which exported the most workers to the New Forest included Southampton (c. 5,500 workers), Bournemouth (c.2,600), and East Dorset (c, 2,500). Southampton was also the destination with the most out-commuters from New Forest, with c. 9,100 residents commuting to the city. Eastleigh (c. 2,700) and Test Valley (c. 2,500) were the next highest out-commuting locations, indicating a general west to east commuting pattern across the District.

4.11 Conversely, the 2021 Census indicated that New Forest District was a net importer of workers, with around 900 more people commuting into the District than commuted out in 2021. In total, around 79,600 people were recorded as working within the District, which included around 61,800 who both lived and worked in the District and a further 17,800 who commuted in from the surrounding area. Of those that lived and worked within the District, 36,600 were recorded as either working from home of having no fixed work address. The local authorities which exported the most workers to the New Forest included Bournemouth, Christchurch and Poole (c. 5,000 people), Southampton (c. 4,300), and Dorset (c. 3,000).

[10] ONS (2019), Population Projections 2018-based

[11] Further information on the reliability and accuracy of 2021 Census origin and destination data is available at: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/traveltoworkengl andandwales/census2021#:~:text=12.5%20million%20people%20travelled%20to,car%20or%20van%20(3.9%25)

4.12 A total of around 16,900 residents of New Forest District commuted out of the District for work. The largest out-commuting destinations also included Southampton (c. 5,000), Bournemouth, Christchurch, Poole (c. 3,300), and Dorset (c. 1,800).

4.13 Within the District's sub-areas, Totton and Waterside displayed broadly the same commuting trends as the District as a whole; however, it had closer in and out commuting ties with neighbouring Southampton. The South Coastal Towns displayed a higher trend of people living and working within the District, while Avon Valley and Downlands displayed broadly the same trend as the rest of the District, albeit with closer commuting ties with Wiltshire to the north and Dorset to the west relative to the rest of the District.

4.14 Comparison of the two datasets indicates that New Forest District has moved from being a net exporter of labour (-7,400) in 2011 to a net importer in 2021 (+900). However, as noted above, the 2021 Census was collected during a national lockdown where working from home was necessary for many. As such, the number of New Forest residents who said that they either worked from home or had no fixed workplace address increased from around 19,100 people in 2011 to around 36,600 people in 2021. At the same time, the number of people commuting out of the District decreased by 13,300 people between the two Censuses (i.e. equivalent to -44.0%). It is likely that the increase in homeworking and fall in out-commuting is a direct reflection of the national lockdown in place at the time of the 2021 Census. However, it remains to be determined whether these trends are still reflective of post-pandemic commuting patterns within the District and the return to normal working patterns.

Distribution of Businesses

4.15 Using Inter Departmental Business Register (IDBR)[12] data from the ONS, it is possible to map where employers are located within New Forest by their sector and size.

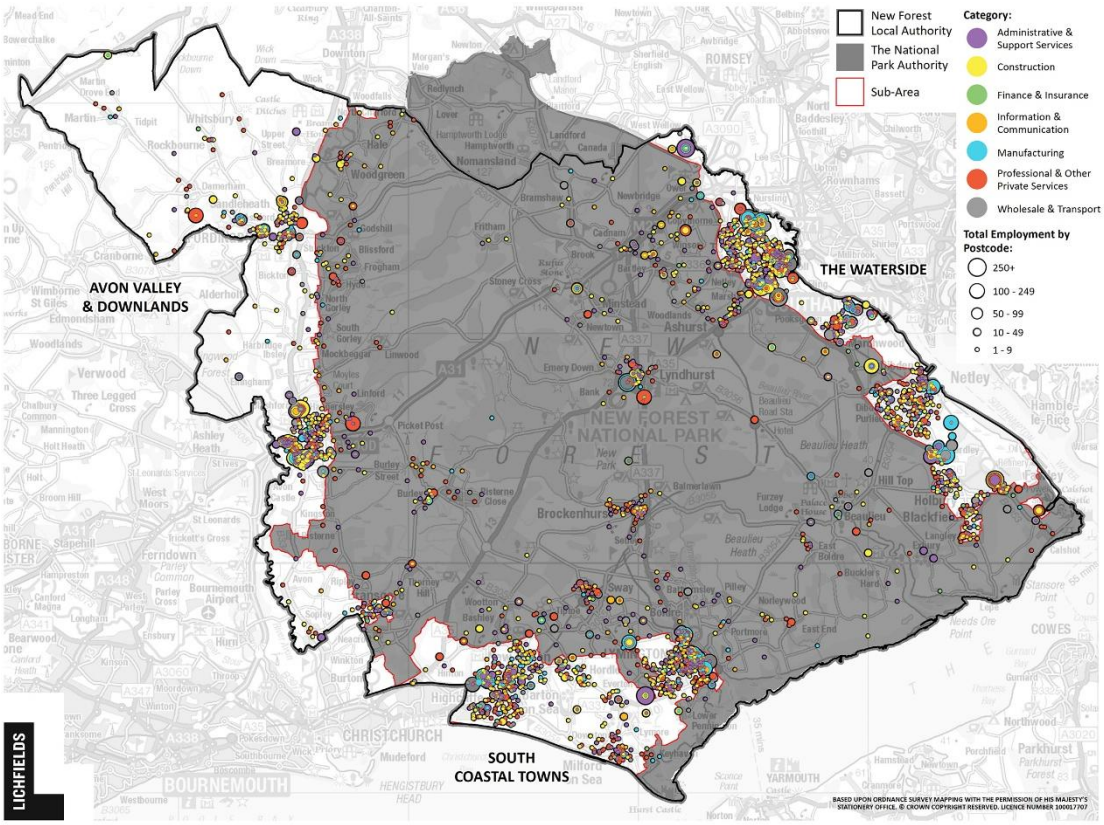
4.16 Figure 4.1 overleaf illustrates the distribution of businesses across the New Forest and its four sub-areas within the seven key employment sectors. Totton and Waterside has the highest concentration of businesses (1,002[13]), followed by the South Coastal Towns, which also show notable clustering—particularly around New Milton and Lymington—with 874 businesses. The National Park Forest area comes next with 818 businesses, while Avon Valley and Downlands has the fewest, with 618. However, despite having the lowest number of businesses, Avon Valley and Downlands is the second-largest employer in the area, after Totton and Waterside.

4.17 In terms of the size of businesses by employment, as shown in Figure 4.1, the majority are classified as micro businesses (0 to 9 employees). The New Forest National Park area has the highest share of micro businesses at 88%, followed by the South Coastal Towns at 85.2%, and Totton and Waterside at 81.1%. Avon Valley and Downlands has the lowest proportion of micro businesses at 75.3%, but the highest share of small businesses (10 to 49 employees) at 20.2%. Totton and Waterside has the highest proportion of medium-sized businesses (50 to 249 employees) at 4.9%, followed by Avon Valley and Downlands at 4.3%, then the South Coastal Towns at 2.3%. Large businesses (250+ employees) make up less than 1% in all sub-areas, with Totton and Waterside having the highest share at 0.7%.

[12] ONS (2024), Inter-Departmental Business Register

[13] It should be noted that this refers only to the seven sectors shown in Figure 4.1, which offer a representative snapshot of the main employment sectors in the New Forest, rather than covering all businesses.

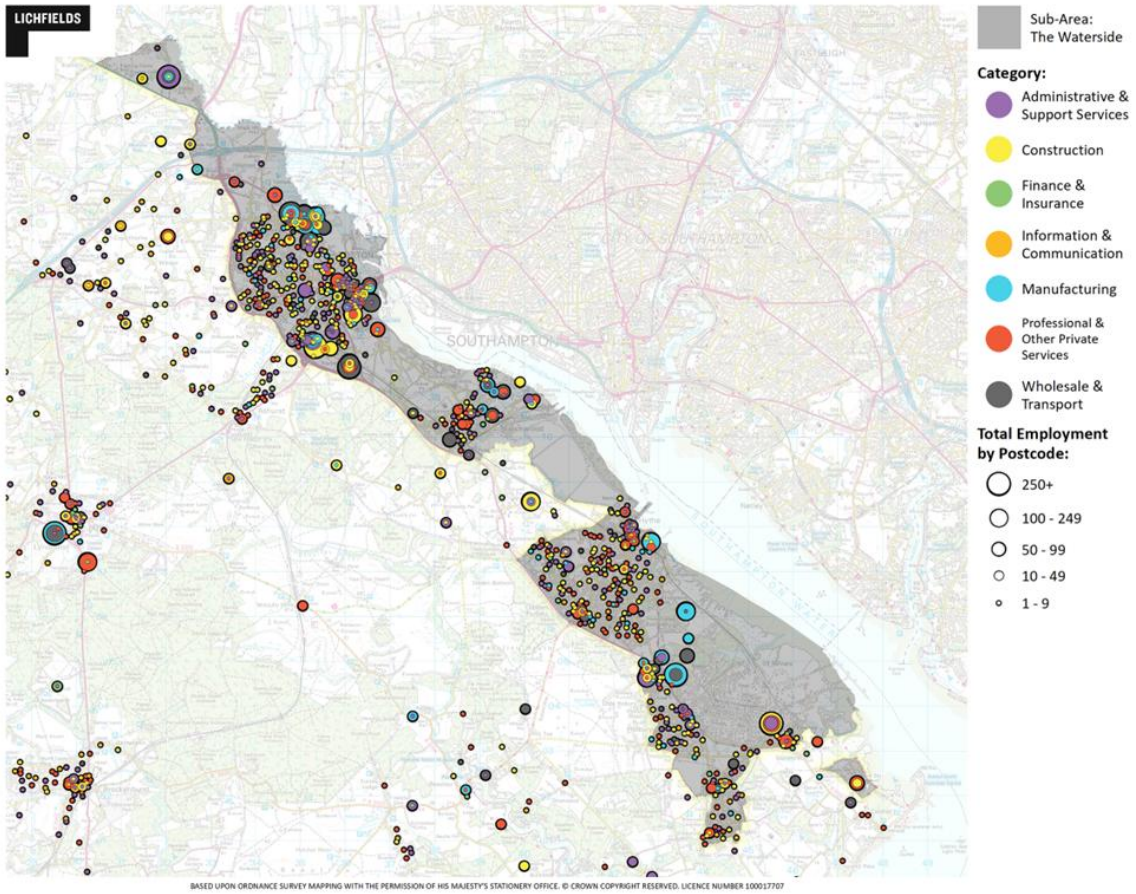
Figure 4.1 New Forest employment sectoral distribution (2025)



Note: ONS IDBR data is only available at the New Forest District level – i.e., this analysis excludes the areas of National Park falling outside the district's boundary
Source: ONS (2025) / Lichfields analysis

4.18 In the Totton and Waterside sub-area, business activity is predominantly centred around the major settlements of Totton, Marchwood, Hythe, and Dibden Purlieu. This area's proximity to the Port of Southampton and the presence of facilities like Marchwood Military Port and Hythe Marine Park have fostered a strong specialisation in marine and port-related industries. It should be noted that around 25% of employment (3,252 jobs) are captured within Port and Marine Sites (i.e. Marchwood Port, Eling Wharf and Fawley Complex). Consequently, the wholesale and transport sectors are the largest employers, closely followed by manufacturing and professional and other private services, as highlighted in Figure 4.2.

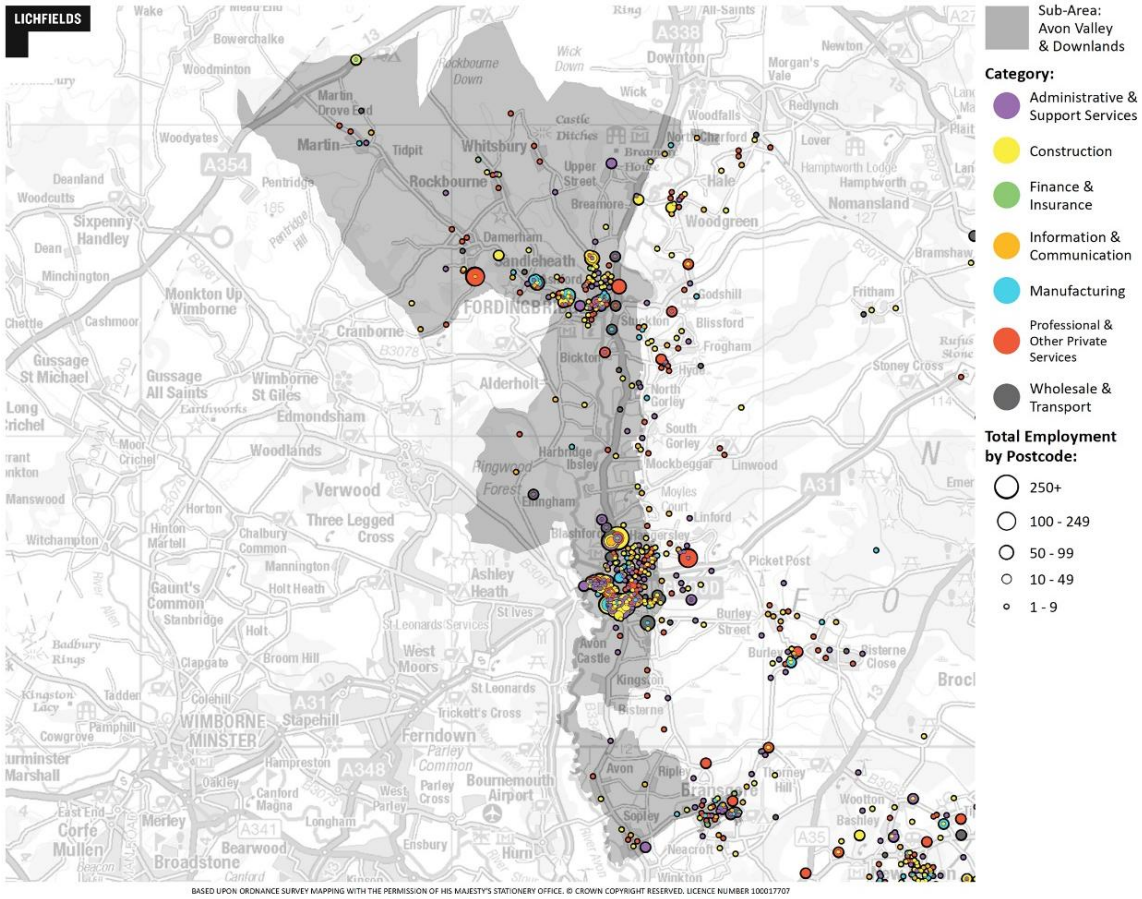
Figure 4.2 Totton and Waterside Sub area employment sector distribution (2025)



Source: ONS (2025) / Lichfields analysis

4.19 Avon Valley and Downlands ranks second in terms of employment levels across the seven identified sectors in Figure 4.3, despite having the smallest number of businesses. The construction sector is the primary employer in the sub-area, with significant contributions from professional and other private services, as well as wholesale and transport. Employment clusters are notably concentrated in Ringwood, particularly around the A31 and A338 transport corridors, and in Fordingbridge, where businesses are dispersed along the A338. However, as noted by commercial agents, most businesses in this sub-area primarily serve local demand rather than engage in strategic logistics operations, which are more commonly located closer to Bournemouth and Southampton.

Figure 4.3 Avon Valley & Downlands sector distribution (2025)



Source: ONS (2025) / Lichfields analysis

4.20 The New Forest National Park is geographically the largest sub-area in the study, and despite its development constraints associated with its National Park status, it has the third-highest concentration of businesses and employment. Employment within the New Forest National Park is concentrated in its larger villages, particularly Lyndhurst, Brockenhurst, and Beaulieu, as well as in distinct business clusters visible in areas like the Sway/Hordle/Tiptoe vicinity and the Ashurst/Netley Marsh vicinity. The dominant sectors in terms of quantum of employment are Professional and Other Private Services, Manufacturing, and Administrative and Support Services, alongside strong representation from the hospitality and tourism industries. In addition, land-based sectors such as agriculture, forestry, and equine activities form an important part of the area's economic profile, reflecting the Park's unique environment and its mix of visitor-driven services, local provision, and specialised production.

Figure 4.4 New Forest National Park sector distribution (2025)

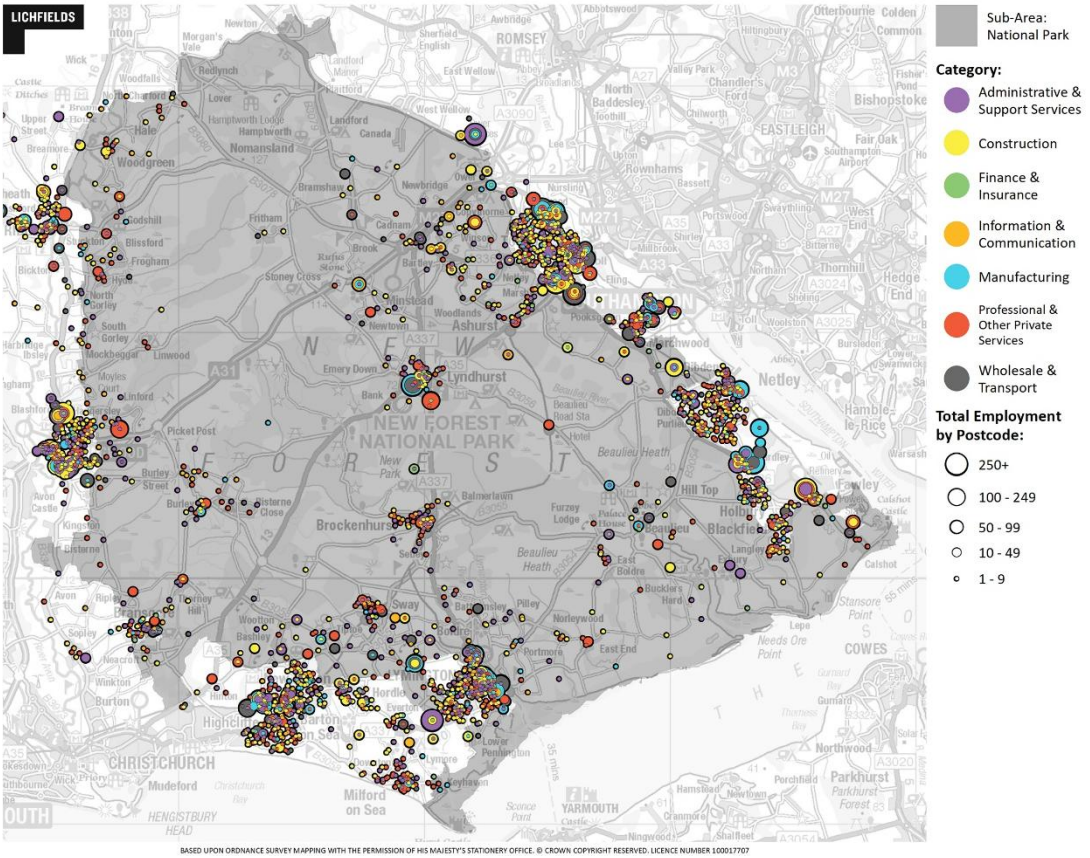
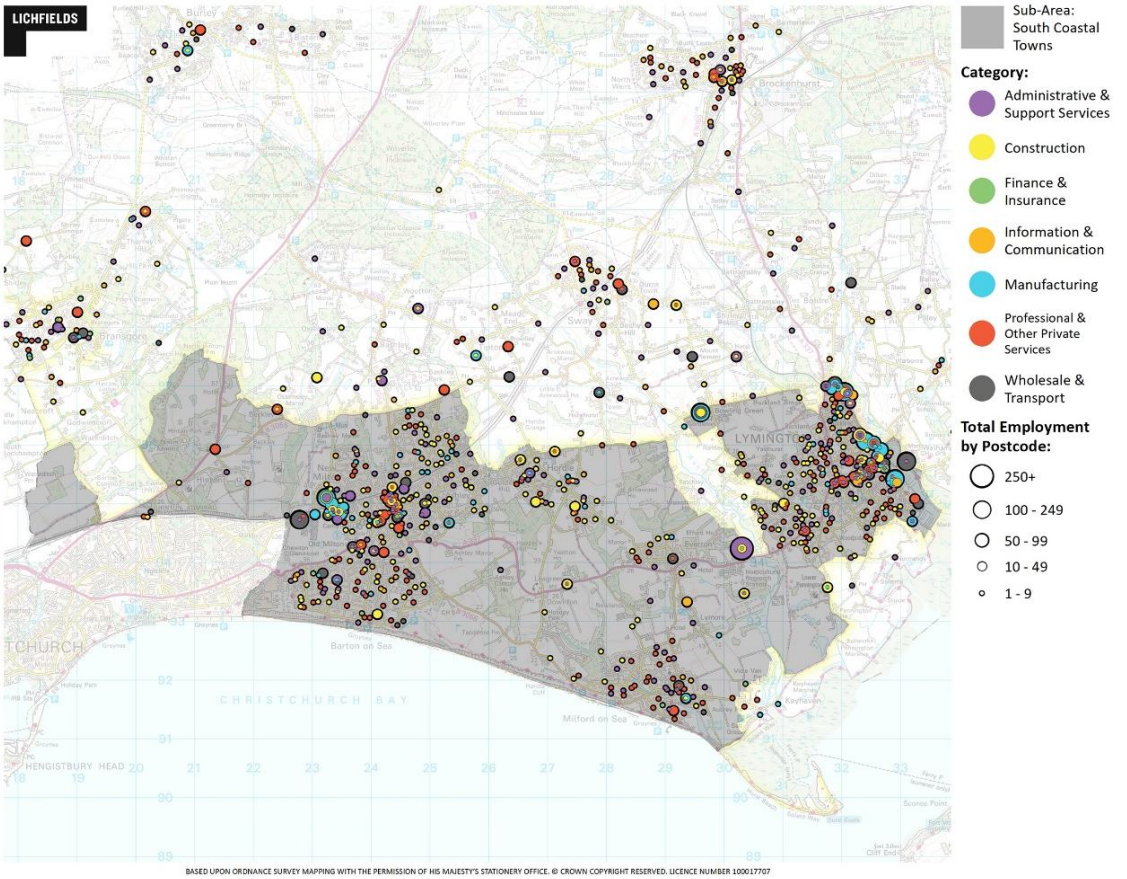

LICHFIELDS
Sub-Area: National Park
Category:
Administrative & Support Services
Construction
Finance & Insurance
Information & Communication
Manufacturing
Professional & Other Private Services
Wholesale & Transport
Total Employment by Postcode:
250+
100 - 249
50 - 99
10 - 49
1 - 9
NEW FOREST NATIONAL PARK
ROMSEY
CHRISTCHURCH
YARMOUTH
COWES
EASTLEIGH
Netley
Hamble-le-Rice
Lyndhurst
Brockenhurst
Ashurst
Milford on Sea
Mudeford
Hill Top
Blackfield
Fawley
Hythe
Totton
Hedge End
Bishopstoke
Fair Oak
Parkhurst
Northwood
Cowes
Sway
Lymington
New Milton
Barton on Sea
Hordle
Pennington
Beaulieu Heath
Furzey Lodge
Balmerlawn
Picket Post
Burley
Ringwood
Fordingbridge
Verwood
Wimborne
Ferndown
Christchurch
Bransgore
Sopley
Hightown
Ringwood
Holbury
Langley
Calshot
Dibden Purlieu
Beaulieu Road Sta
Hotel
Needs Ore Point
Stansore Point
Gunard
Thorness Bay
Norleywood
East End
Portmore
Lepe
Buckler's Hard
East Boldre
Pilley
Woodlands
Emery Down
Bank
Cadnam
Nursling
Rownhams
North Baddesley
Chandler's Ford
Valley Park
Chilworth
Toothill
Upton
Bassett
Millbrook
Shirley
Portswood
Swaythling
Northam
Thornhill
Woolston
Burslodon
Lower Swanwick
Sarisbury
Marsash
Warsash
Titchfield
Fareham
Stubbington
Lee-on-the-Solent
Gosport
Alverstoke
Hardley
Fawley
Calshot
Hythe
Dibden
Hamstead
Newtown
Porchfield
Cranmore
Shalfleet
Ningwood
Yarmouth
Castle
Scarce Point
Lower Pennington
Lymore
Keyhaven
Milford Hill
Barton
Highcliffe
Mudeford
Christchurch Bay
Hengistbury Head
Avon Castle
Kingston
Listerne
Burley Street
Cisterne Close
Moyles Court
Linford
Mockbeggar
Linwood
South Gorley
North Gorley
Hyde
Frogham
Blissford
Godshill
Fritham
Stoney Cross
Bramshaw
Newbridge
Landford
Canada
Hamptworth
Hamptworth Lodge
Nomansland
Redlynch
Woodfalls
Lover
Hale
Woodgreen
Upper Street
Breamore
Castle Ditches
Wick
Morgan's Vale
Newton
Landford Manor
Whitsbury
Sherfield English
Awbridge
Abbotswood
Otterbourne
Colden Common
Hiltingbury
Fishers Pond
Southampton Airport
Hedge End
Botley
Curdridge
Durley
Bursledon
Hound
Netley Marsh
Copythorne
Minstead
Newtown
Woodlands
Ashurst
Pooks
Rhinefield
Brook
Burley
Ripley
Bisterne Close
Picket Post
Burley Street
Avon Castle
Kingston
Listerne
Ringwood
Ripley
Bransgore
Sopley
Hightown
Winkton
Burton
Christchurch
Mudeford
Highcliffe
Barton on Sea
Hordle
Pennington
Lymington
New Milton
Sway
Pilley
Norleywood
East End
Portmore
Lepe
Needs Ore Point
Stansore Point
Gunard
Thorness Bay
Beaulieu Heath
Furzey Lodge
Balmerlawn
Brockenhurst
Lyndhurst
Ashurst

Figure 4.5 South Coastal Towns sector distribution (2025)



Source: ONS (2025) / Lichfields analysis

Economic and Employment Needs across PfSH and New Forest

4.22 The 2021 Economic, Employment and Commercial Needs (including logistics) Study[14] assesses the demand for employment space across the Partnership for South Hampshire (PfSH) Functional Economic Market Area (FEMA). As part of the analysis, the FEMA boundaries were reviewed having regard to commuting patterns, which concluded that only the eastern part of the New Forest District, specifically the area from Totton to Fawley, was closely linked to the South Hampshire FEMA. The New Forest National Park is reported to act as a natural barrier, separating this eastern zone from the western part of the district, which is more aligned with the Bournemouth/Christchurch area in terms of employment-related travel.

4.23 As a result, the study included only 39% of New Forest District within the PfSH FEMA. Besides the eastern New Forest, this FEMA also covers parts or all of several other local authorities, including Winchester, Test Valley, East Hampshire, as well as part of New Forest. In contrast, authorities such as Eastleigh, Fareham, Gosport, Havant, Portsmouth, and Southampton are fully encompassed within the South Hampshire FEMA.

[14] Stantec (2021), Economic, Employment and Commercial Needs (including logistics) Study

4.24 The study used three methods to assess need, including labour demand forecasts, projections of past development trends and labour supply scenario. For office space, labour demand forecasting was considered the recommended approach, largely due to the fact that the past trends scenario results in negative demand across the FEMA due to the loss of office space. Based on the labour demand scenario, the eastern part of the New Forest was projected to require 10,450 sq.m of net additional office space between 2019 and 2040, corresponding to an estimated 806 office-based jobs, with an assumed 7.5% vacancy rate. By comparison, the total net office space requirement for the entire South Hampshire FEMA was significantly larger, at 390,000 sq.m.

4.25 For general industrial space, projecting past development trends over the period 2015/16 to 2019/20 was highlighted in the study as the preferred method as it reflected the recent strengthening of the industrial market in the area. Using this approach, the eastern part of the New Forest was projected to have a net requirement of c -41,340 m² of industrial space between 2019 and 2040, equivalent to roughly -10.3 hectares (assuming a 40% plot ratio). This reflects a net loss trend in the area over the reference period, with only 5,290 sq.m gained compared to 17,570 sq.m lost. In contrast, the South Hampshire FEMA was projected to require a net additional demand of 670,000 sq.m of industrial space (including light industrial, general industrial, and warehousing), equating to approximately 167.6 hectares.

4.26 Demand for strategic warehouses was considered separately, as it is a "new and fast-growing" with a regional or even national search area. The Stantec 2021 study recommended that the local authorities in PfSH look for up to 5 sites for strategic logistics, each of 8-10 hectares and adjoining the motorway network. Although this need is not specifically assigned to the New Forest, the northeastern part of the district, with access to the motorway network, is considered a location type that has previously captured this demand.

4.27 Engagement with local agents undertaken as part of this Economic Needs Assessment highlights the area around M27 Junction 2 is potntially well-suited (commercially) for logistics-based occupiers, given its proximity to the strategic road network. As such, a number of sites have been promoted through the New Forest District (outside the National Park) Local Plan review Regulation 18 Issues and Scope consultation and Call for Sites. Synthesising the above, Lichfields considers that the findings of the 2021 Stantec study on strategic logistics needs remain valid as they continue to reflect current market conditions. This is corroborated by feedback from commercial property agents consulted as part of this Economic Needs Assessment.

Future Labour Market

4.28 The Solent Local Skills Improvement Plan (LSIP)[15] identifies New Forest as a key hub for the maritime sector, with around 2,500 FTE jobs and 525 mostly small enterprises. Between 2017 and 2022, the area saw strong growth in maritime job postings—particularly for electrical engineers and drivers. Additionally, hospitality emerged as one of the fastest-growing sectors in terms of job postings during this period. In the creative industries, New Forest saw the highest growth in job postings across the Solent area (+220 per year), led by demand for 2D and 3D illustrators, designers, journalists, and editors.

[15] Hampshire Chamber of Commerce (2023), Solent Local Skills Improvement Plan

4.29 The Solent Freeport could significantly impact the future labour market in New Forest, particularly due to the proximity to the Solent Freeport sites within the Waterside sub area. Building on New Forest's established role as a maritime hub — obtaining currently around 2,500 full-time equivalent jobs and over 500 primarily small businesses — the Freeport is projected to accelerate job growth in key sectors. It is projected that the Freeport could generate approximately 4,000 jobs in Research and Development (R&D) and technology, alongside 700 roles in advanced manufacturing and engineering. At the time of drafting, proposals remain at an early stage and will be subject to future delivery, and accordingly it is not possible to disaggregate the potential job estimates between different locations within the District and/or the National Park.

4.30 This expansion will drive increased demand for workers with STEM and higher technical skills, including complex engineering, data analytics, cybersecurity, artificial intelligence, and automation. Given New Forest's existing maritime strengths, the Freeport will further boost opportunities in marine manufacturing and technology. Additionally, the region has seen growing job postings in installation, repair, electrical and software engineering, and transport, trends which the Freeport is likely to amplify. The Freeport's development will therefore require a more skilled workforce and create diverse employment opportunities across both traditional and emerging industries in the area.

Summary

4.31 The key points in terms of the labour market conditions within the study area and future market conditions are summarised below:

1 The New Forest currently exhibits a relatively strong labour market performance, with an employment rate of 76.2% in 2021—above the UK average of 74.7%. However, this strength is offset by a high economic inactivity rate of 20.6%, above the Hampshire average, driven in part by the district's ageing population. With 30% of residents aged 65 and over in 2021—projected to rise to 37.3% by 2043—the working-age and youth population is shrinking, posing long-term challenges for labour supply and economic sustainability.

2 In terms of the sectoral distribution, the district shows pronounced employment specialisation in marine, advanced manufacturing, care, hospitality and leisure, and land-based industries—all of which are overrepresented by more than 20% compared to the UK average. While these sectors anchor the local economy, New Forest underperforms in high-value-added sectors such as ICT and financial services. This imbalance may limit future productivity growth and reduce the district's competitiveness in knowledge-driven industries.

3 Commuting patterns, based on the 2011 Census, indicate that the New Forest was a net exporter of labour, with many residents travelling to Southampton, Eastleigh, and Test Valley for work. Although 2021 Census data suggest a shift to net in-commuting, this is likely skewed by pandemic-era homeworking patterns. Totton and Waterside, in particular, show strong commuting links with Southampton, reinforcing the area's role as the district's primary economic gateway.

4 Business distribution across the district reveals Totton and Waterside as the main hub for employment, bolstered by its proximity to the Port of Southampton and the M27. This sub-area leads in marine, port-related, wholesale, and transport activity and has

the highest concentration of medium-sized businesses. In contrast, the New Forest National Park and other sub areas are dominated by micro-businesses. Each sub-area reflects a distinct economic identity: Avon Valley and Downlands is construction-led; the National Park focuses on services and light industry in key settlements; and the South Coastal Towns — particularly New Milton and Lymington — feature a strong manufacturing base, especially in precision engineering and marine-related industries.

5 The 2021 Economic, Employment and Commercial Needs Study undertaken by Stantec on behalf of the Partnership for South Hampshire (PfSH) identified a likely need/demand for additional logistics space in the South Hampshire region. The study recommended that the local authorities in PfSH look for up to 5 sites for strategic logistics, each of 8-10 hectares and adjoining the motorway network, although the study did not directly suggest any land in New Forest. Market feedback continues to support this, highlighting land around M27 Junction 2 as potentially being well-suited (commercially) to meet strategic logistics requirements should land be made available for development. While this Economic Needs Assessment primarily addresses locally-arising employment needs, the findings of the 2021 Stantec study have been sense checked through consultation with commercial agents. On this basis, it is considered that the conclusions of the 2021 Stantec study on strategic logistics needs remain valid.

6 Looking ahead, New Forest is well-placed to benefit from shifts in the regional labour market. The Solent Local Skills Improvement Plan identifies the district as a key growth hub for the maritime sector, with rising demand for roles such as electrical engineers. Hospitality is another high-growth sector, alongside a notable surge in creative industries job postings—the highest growth rate across the Solent. Future employment opportunities will be further bolstered by the Solent Freeport sites, projected to generate around 4,000 jobs in R&D and tech, and an additional 700 in advanced manufacturing and engineering. These developments are set to increase demand for STEM and higher technical skills, such as data analytics, AI, cybersecurity, and automation, while helping to diversify and modernise the local labour market.

5.0 Future Employment Space Requirements

5.1 This section considers future economic growth needs in New Forest District and New Forest National Park by drawing on several methodologies that are guided by the Planning Practice Guidance (PPG) and aligned to the requirements set out in the National Planning Policy Framework.

5.2 The assessment develops a number of potential future economic scenarios to provide an updated framework for considering future economic growth and associated employment space requirements in New Forest District and New Forest National Park over the new Local Plan periods up to 2043, drawing upon:

1 Projections of employment growth (labour demand) within the main office and industrial sectors derived from economic forecasts produced by Experian (December 2024);

2 Consideration of past trends in take-up of employment space based on the latest monitoring data and data from CoStar's latest commercial property data (specifically, net absorption), as reviewed in sections 2.0; and

3 Estimates of future growth of local labour supply based on the Council's latest housing evidence, providing a labour supply scenario using the latest Standard Method requirement.

5.3 All the scenarios cover the period from 2025 to 2043 aligned with the Plan periods of the respective Authorities. Each of these approaches has limitations, and consideration needs to be given as to how appropriate each is to the specific circumstance in the Authorities.

5.4 The ultimate judgement as to the level of need that the Authorities should plan for is not a purely quantitative exercise, and there will be a number of qualitative factors that require consideration, some of which are discussed in the previous sections. These factors will influence the employment space requirements that will need to be planned for and should be considered alongside the following modelled scenarios.

Scenario 1: Labour Demand

5.5 Employment growth forecasts for the New Forest District and (a bespoke forecast for) New Forest National Park have been provided separately by Experian based on their December 2024 release. These forecasts take account of regional and national macroeconomic assumptions prevailing at the time of release, as summarised briefly below.

Experian Forecast Assumptions: December 2024

The economy is expected to continue to grow albeit mildly in the coming quarters reflecting improved fundamentals, namely lower inflation, rising real incomes, and a gentle loosening in monetary policy. The large, frontloaded increase in government consumption announced in the recent Autumn Budget has led us to upgrade our forecast for output in 2025, but this is offset by weaker growth in the 2027/28 period.

Unless the conflict in the Middle East leads to a significant oil price shock, inflation is expected to stay close to the Bank of England's ('BoE's') 2% target over the forecast horizon, though is expected to drift up in the short-term reflecting the increases in government expenditure announced in the Autumn Budget. Nevertheless, interest rates are anticipated to fall gradually easing cost-of-living pressures and supporting consumer spending.

Economic inactivity, largely driven by long-term sickness and impacting predominantly on older age cohorts, has risen significantly (since the Covid-19 pandemic). The high inactivity rate is expected to persist into 2025 as currently, there are 7.6 million people on NHS waiting lists, which is likely to be one of the leading factors for the high quantity of individuals that are long-term sick.

Easing vacancies signal a cooling labour market and reduced competition for workers, which typically puts downward pressure on pay growth. We have revised down our unemployment rate projection in the short-term in line with the frontloaded increase in government spending announced in the Autumn Budget. However, further out the unemployment rate rises gently. This reflects a crowding out of business investment given higher inflation and higher interest rates relating to the increase in expenditure as well as the impact of higher national insurance contribution costs on hiring intentions.

5.6 Given the uncertainty in the longer-term macroeconomic picture, these assumptions may need to be reconsidered closer to the Local Plan examination stage, depending on how the economic situation changes in the intervening period.

5.7 The forecasts provided by Experian are baseline forecasts, which do not take account of any specific planned investments or business decisions such as the growth plans at the Port of Southampton, and, therefore, this scenario does not account of additional employment and floorspace requirements associated with this growth. The employment growth and employment floorspace requirements for port-related activity within New Forest District are assessed within the Port and Marine Business Needs Assessment and are additional to the requirements identified within this scenario.

Implied Employment Change

5.8 Table 5.1 below summarises the employment change implied by the latest Experian baseline forecasts by office, industrial and distribution uses, as well as total employment change over the forthcoming Local Plan period. This includes an allowance for jobs in other sectors that typically use office, industrial or warehousing space.

Table 5.1 Forecast employment change in New Forest District and New Forest National Park, 2025 to 2043

Use	New Forest District			New Forest National Park		
	Number of Workforce Jobs		Change (2025-2043)	Number of Workforce Jobs		Change (2025-2043)
	2025	2043		2025	2043	
Office E(g)(i)/(ii)	14,751	18,673	+3,921	2,914	3,163	+249
Light Industrial E(g)(iii)	5,118	5,677	+559	855	859	+4
General Industrial B2	7,923	6,760	- 1,163	3,073	3,166	+93
Distribution B8	6,060	5,125	-935	1,011	865	-145
Total Office, Industrial, and Distribution Jobs	**33,852**	**36,235**	**+2,383**	**7,852**	**8,053**	**+201**
Total Workforce Jobs	**86,800**	**93,700**	**+6,900**	**25,340**	**27,550**	**+2,210**

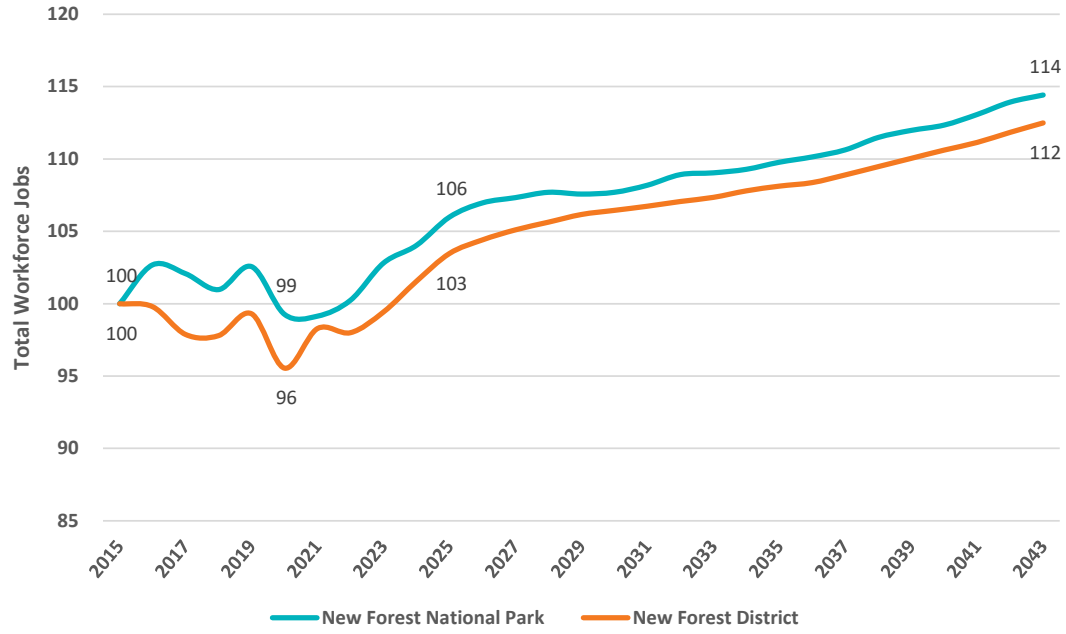
Source: Experian (December 2024) / Lichfields analysis

5.9 Under this scenario, total workforce jobs are expected to increase by around 6,900 jobs across the New Forest District (i.e. equivalent to a 7.9% increase), including an increase of around 2,210 jobs within the National Park (i.e. equivalent to an 8.7% increase) between 2025 and 2043. Around a third (34.5%) of all job growth across New Forest District are attributable to office, industrial, and distribution sectors (i.e. sectors that typically use B/E(g) space), with the office sector driving the vast majority of this growth (56.8% of all job growth), while general industrial and storage and distribution sectors are both forecast to decrease (-16.8% and -13.6% of all job growth respectively).

5.10 However, within New Forest National Park, jobs attributable to office, industrial, and distribution sectors account for only 9.1% of employment growth between 2025 and 2043. This is also largely driven by office-based sectors, which account for 11.3% of total employment growth, while employment in storage and distribution-related sectors is forecast to decline by 6.6% over the same period. The remaining 90.9% of forecast growth is attributable to employment sectors which do not require large amounts of office or industrial floorspace, such as accommodation and food services, agriculture, forestry and fishing, or health.

5.11 Figure 5.1 below illustrates the trajectory of total job growth implied by the Experian forecasts for New Forest District and New Forest National Park indexed to a 2015 base year. Under this scenario, workforce jobs are expected to grow steadily from 2025 to 2043 across both New Forest District and New Forest National Park. Historic job growth has fluctuated across both areas, and both were negatively impacted by the Covid-19 pandemic in 2020 before bouncing back in 2023. However, New Forest National Park recorded a greater decline in total workforce job numbers (of -3.8%) compared to the District as a whole (of -3.2%) in the wake of the pandemic.

Figure 5.1 Forecast change in workforce jobs in New Forest District and New Forest National Park, 2015 to 2043 (indexed to 2015 base year)



Source: Experian (2024) / Lichfields analysis

5.12 Table 5.2 and Table 5.3 identify the highest growing and declining sectors in employment terms in the New Forest District and New Forest National Park respectively. **Appendix 1** presents the growth change across all the sectors in the District alongside the assumptions used to inform this. The forecasts suggests that sectors which typically require office activity, such as professional services and real estate, are likely to drive growth across New Forest District based on the Experian forecast, while sectors which require industrial and distribution floorspace, such as wholesale, transport and storage, and manufacture of metal products or chemicals, are likely to decline.

Table 5.2 Highest and lowest gowth employment sectors in New Forest District, 2025 to 2043

Experian Sector	Forecast Change in Workforce Jobs (2025 to 2043)	
	No.	%
Highest growth sectors		
Professional Services	2,500	36.2%
Accommodation & Food Services	1,500	17.9%
Real Estate	1,100	35.5%
Education	900	12.5%
Recreation	600	14.0%
Lowest growth sectors		
Wholesale	-1,000	-21.30%
Land Transport, Storage & Post	-300	-8.60%
Fuel Refining	-300	-30.00%

Experian Sector	Forecast Change in Workforce Jobs (2025 to 2043)	
	No.	%
Metal Products (manufacture of)	-200	-13.30%
Chemicals (manufacture of)	-200	-33.30%

Source: Experian (2024) / Lichfields analysis

5.13 Within New Forest National Park employment growth is forecast to be driven by the health, agriculture, forestry & fishing sectors amongst others (see **Appendix 2**). There is also a large decline in sectors requiring distribution spaces, such as wholesale and land transport, storage & post.

Table 5.3 Highest and lowest gowth employment sectors in New Forest National Park, 2025 to 2043

Experian Sector	Forecast Change in Workforce Jobs (2025 to 2043)	
	No.	%
Highest growth sectors		
Health	1,000	27.3%
Agriculture, Forestry & Fishing	800	33.7%
Administrative & Supportive Service Activities	400	29.6%
Accommodation & Food Services	400	8.1%
Public Administration & Defence	100	21.5%
Lowest growth sectors		
Education	-500	-25.3%
Residential Care & Social Work	-200	-13.5%
Wholesale	-100	-12.5%
Real Estate	-100	-18.6%
Land Transport, Storage & Post	-100	-20.7%

Source: Experian (2024) / Lichfields analysis

5.14 Employment growth forecasts are not available for the different sub-areas of Avon Valley and Downlands, South Coastal Towns, and Totton and Waterside due to the small geographical areas and unreliability of data at that scale of analysis. However, if the employment growth across New Forest District as a whole were to be broken down across the different sub areas based on past growth, then the largest share of the jobs would be expected to be located within Totton and Waterside (approximately 40% based on the latest available BRES data[16]), with South Coastal Towns accounting for around a third, and Avon Valley and Downlands accounting for around a quarter.

Converting to Employment Space Requirements

5.15 The office, industrial, and warehousing components of these employment growth forecasts are converted to future employment space requirements by applying the latest published job density figures for employment space, which take account of recent trends in occupancy for the different employment uses. The following average ratios have been applied:

[16] Office for National Statistics (2024), *Business Register and Employment Survey 2023*.

- **Offices (E(g)(i)/(ii)):** 1 workforce job per 12 sq.m Net Internal Area ('NIA') (i.e. 14 sq.m Gross External Area ('GEA')) and a plot ratio of 2.0 for town centre uses (40% of total office stock). 1 workforce job per 14 sq.m GEA and 0.4 plot ratio for out-of-centre business park style office space (60% of total office stock);
- **Light industrial (E(g)(iii)):** 1 workforce job per 47 sq.m NIA (i.e. 54.05 sq.m GEA) and a plot ratio of 0.4;
- **General industrial (B2):** 1 workforce job per 36.0 sq.m GIA (i.e. 37.8 sq.m GEA) and a plot ratio of 0.4; and
- **Warehousing (B8):** 1 workforce job per 65 sq.m GEA for smaller scale warehousing (97% of warehousing stock in New Forest District and National Park) and 1 workforce job per 71 sq.m GEA for medium scale, lower density units (1.5% of warehousing stock) and 1 workforce per 87.5 sq.m GEA for large scale, lower density units (1.5% of warehousing stock). A plot ratio of 0.4 has been applied to B8 uses.

5.16 These assumptions are based on the latest HCA guidance on job density ratios. This guidance takes some account of recent trends in terms of changing utilisation of employment space, including more efficient use of office floorspace due to a higher frequency of flexible working and hot-desking.

5.17 An allowance of 8.0% is added to all positive floorspace requirements to reflect normal levels of market vacancy in employment space included in Table 5.4. Where a reduction in jobs is forecast, the associated negative floorspace is halved to reflect that losses of employment space do not necessarily translate into reductions in floorspace by businesses.

Table 5.4 Net employment space requirements, 2025 to 2043: Labour Demand (Scenario 1)

Use	New Forest District Council (GEA sq.m)	New Forest National Park (GEA sq.m)
Office E(g)(i)/(ii)	59,290	3,770
Light Industrial E(g)(iii)	32,630	240
General Industrial B2	-21,970	3,810
Distribution B8	-30,590	-4,750
Total	**39,360**	**3,069**

Source: Experian (December 2024) Note: Rounded figures may not sum up

Scenario 2: Past Development Rates

5.18 Past development rates reflect market demand and actual development patterns, and therefore provide a reasonable basis for informing future space needs. Whilst forecasts show job growth in net terms, past trend-based analysis takes account of historic patterns in employment space development and the role that recycling of sites can play in terms of supporting employment uses in an economy. There are a number of data sources that can inform this approach, as set out below.

Monitoring Planning Data

5.19 An analysis of monitoring data on past completions of employment space has been provided by the Authorities. The accuracy of this data has not been verified by Lichfields. Over a 10-year period between 2014/15 and 2023/24, net average annual net completions for employment class uses vary between the sub areas with Avon Valley & Downlands having the highest net average annual completion of c 2,700 sq.m followed by South Coastal Towns with 710 sq.m and New Forest National Park with 680 sq.m per annum.

5.20 The net completions on port-related sites in Totton & Waterside sub area (including Eling Wharf, Solent Gateway at Marchwood Port, the Fawley Oil Refinery Complex, and Fawley Waterside) have been excluded from this analysis. This approach aims to provide a more accurate representation of net completions for general employment uses outside the port industries. The demand and supply position of these sites is subject to the Port and Marine Business Needs Assessment. The analysis herein focuses on the rest of the employment uses in this sub-area.

5.21 In Totton & Waterside sub-area, the last 10-year annual rate shows a loss of -220 sq.m, largely due to a one-off loss of 7,500 sq.m in 2015/16. This was the result of the demolition of a large vacant industrial building at Hardley Industrial Estate. The building's size and internal layout were outdated and no longer met modern operational requirements. It was subsequently redeveloped to deliver six new light industrial units that are more appropriately scaled and better suited to local business needs. While this resulted in an overall loss in floorspace, the redevelopment has made more effective use of the employment land.

5.22 For the purposes of this assessment, this redevelopment has been excluded from the past trends analysis, as it does not reflect typical development activity in the sub-area. This ensures that the data more accurately reflects typical development activity in the area and informs a more realistic basis for projecting future trends. With this adjustment, the average annual net completion in Totton & Waterside rises to a positive 530 sq.m.

Table 5.5 Net Annual Completions Rates of Employment Space by Sub area, 2014/15-2023/24

Use	Totton & Waterside	Avon Valley & Downlands	South Coastal Towns	New Forest District Council (excl National Park)	New Forest National Park
Office E(g)(i)/(ii)	40	-180	-90	-230	140
Light Industrial (B1c)	60	-30	-110	-80	-30
General Industrial (B2)	210	0	-40	160	40
Distribution (B8)	120	170	-50	230	210
B1-B8	110	2,750	1,000	3,860	380
Total	**530**	**2,700**	**710**	**3,940**	**680**

Source: New Forest District Council/ New Forest National Park / Lichfields analysis Note: Rounded figures may not sum

5.23 A view of future growth across the sub-areas could assume that the past development trends as presented in Table 5.6, will carry on in the future. Over the Local Plan period, Scenario 2 using the Authorities monitoring data would equate to an overall increase of 71,170 sq.m of employment space in New Forest District Council and 12,160 sq.m in New Forest National Park to 2043.

Table 5.6 Net Employment Space Requirement: Past Development Rates across the Sub areas (GEA sq.m), 2025 to 2043

		Office E(g)(i)/ (ii)	Light Industrial E(g) (iii)	General Industrial (B2)	Distribution (B8)	E(g), B2,B8	**Total**
Totton & Waterside	Annual Change	40	60	210	120	110	**530**
	Floorspace Requirement	720	1,120	3,690	2,110	2,160	**9,800**
Avon Valley & Downlands	Annual Change	-180	-30	0	170	2,750	**2,700**
	Floorspace Requirement	-3,320	-490	-90	3,040	49,420	**48,580**
South Coastal Towns	Annual Change	-90	-110	-40	-50	1,000	**710**
	Floorspace Requirement	-1,570	-2,000	-730	-970	18,050	**12,800**
New Forest District Council	Annual Change	-230	-80	160	230	3,860	**3,940**
	Floorspace Requirement	-4,160	-1,370	2,880	4,180	69,640	**71,170**
New Forest National Park	Annual Change	140	-30	40	210	380	**680**
	Floorspace Requirement	1,090	-240	760	3,730	6,810	**12,160**

Source: New Forest District Council / New Forest National Park Authority/ Lichfields analysis
Note: Rounded figures may not sum

CoStar Net Absorption data

5.24 Consideration has also been given to floorspace trends based on CoStar commercial property market data in the form of net absorption rates[17] across the same period. This exercise helps to sense-check the Authorities' monitoring evidence.

5.25 CoStar records a net positive absorption rate across all the sub areas and use classes for the same monitoring period (i.e., 2013 to 2024). It highlights a net absorption rate of 2,500 sq.m for employment use classes in Avon Valley & Downlands, broadly in line with the Authorities monitoring data. Higher net absorption rates are observed in South Coastal Towns and Totton & Waterside sub areas. In the case of Totton & Waterside, the elevated figures — particularly for industrial and distribution floorspace[18] — are likely due to CoStar

[17] The measure of total space occupied less the total space vacated per annum over a given period of time. Lease renewals are not factored into net absorption.
[18] It should be noted that CoStar data for industrial floorspace cannot be disaggregated by industrial uses (i.e. light industrial E(g)(iii), manufacturing B2 and distribution B8)

capturing activity within port sites such as Eling Wharf, Fawley Complex and Marchwood Port. Conversely, CoStar reports a lower net absorption rate for the New Forest National Park, with an average of 210 sq.m per year, compared to the 680 sq.m indicated in the Authority's monitoring records.

Table 5.7 Annual Floorspace Change by Sub area, 2014- 2023 (sq.m)

Use	Totton & Waterside	Avon Valley & Downlands	South Coastal Towns	New Forest District Council	New Forest National Park
Office E(g)(i)/(ii)	90	1,010	140	1,240	30
Industrial and Distribution E(g)(iii)/B2/B8	1,870	1,490	1,350	4,710	180
Total	**1,960**	**2,500**	**1,480**	**5,940**	**210**

Source: CoStar (2025) / Lichfields analysis Note: Rounded figures may not sum up

5.26 Table 5.8 presents a second scenario 2B using CoStar Net absorption rates, which projects an overall floorspace requirement of 106,930 sq.m for the three sub-areas in New Forest District over the Plan period and 3,870 sq.m in the New Forest National Park.

Table 5.8 Net Employment Space Requirements: Past Development Rates (Net Absorption) by Sub area, 2025-2043

Use	Totton & Waterside	Avon Valley & Downlands	South Coastal Towns	New Forest District Council	New Forest National Park
Office E(g)(i)/(ii)	1,670	18,100	2,460	22,230	580
Industrial and Distribution E(g)(iii)/B2/B8	33,590	26,870	24,250	84,710	3,290
Total	**35,260**	**44,970**	**26,710**	**106,930**	**3,870**

Source: CoStar (2025) / Lichfields analysis Note: Rounded figures may not sum up

Scenario 3: Future Labour Supply

5.27 This third scenario considers how many jobs, and hence how much employment space, would be necessary to broadly match the forecast growth of the resident workforce in the study area. In contrast to the labour demand approach, it focuses on the future supply of labour rather than the demand for labour. It then estimates the amount of new jobs needed to match the future supply of working-age population, and how much employment space would be needed to accommodate the office, industrial and distribution components of future job growth.

5.28 The assessment aligns with the Housing Need Assessment for New Forest District Council and National Park collectively. As part of that study, population and household projections have been produced, and these provide the basis for projecting the future growth in labour supply over the Local Plan period. It should be noted that the population projections were provided for the period of 2023 to 2043. For this scenario, an annual population figure was estimated and then multiplied by the number of years in the plan period (18 years). Additionally, a higher population figure was used, which incorporated changes in economic activity rates in line with OBR assumptions and assumed a 1:1 commuting ratio. This

information was provided by the authors (Iceni) of the Housing Need Assessment so that the evidence is aligned.

5.29 Table 5.9 below outlines the additional jobs that could be supported by the projected population growth in the study area. The proportion of jobs within office, industrial and distribution sectors assumes the same shares as the Labour Demand forecast (as presented in Scenario 1 above).

Table 5.9 Labour Supply Job Requirements (2025-2043)

Indicator	Total Jobs Change (2025-2043)
Total change in the economically active	28,327
Working Labour Supply (allowance for double jobbing and net commuting)	30,199
Office E(g)(i)/(ii)	17,160
Light Industrial E(g) (iii)	2,450
General Industrial (B2)	-5,090
Distribution (B8)	-4,090
Total Office, Industrial and Distribution Jobs	**10,430**

Source: Iceni (2025) / Lichfields analysis Note: Rounded figures may not sum up

5.30 This shows that the supply of labour could support 30,199 workplace jobs between 2025 and 2043, with around 10,430 jobs being in sectors associated with office, industrial and distribution floorspace.

5.31 These jobs can be translated into estimated requirements for employment space by applying the same approach adopted in Scenario 1 (see paragraph 5.17), which, based on the Experian econometric forecast, suggests a growth in the office-based sectors and light industrial-based sectors and a decrease in the industrial- and distribution-based industries.

Table 5.10 Labour Supply Net Employment Floorspace Requirements (2025-2043)

Use	Employment Floorspace (GEA sq.m)
Office E(g)(i)/(ii)	259,510
Light Industrial E(g) (iii)	142,800
General Industrial (B2)	-103,870
Distribution (B8)	-144,580
Total	**153,860**

Source: Lichfields analysis Note: Rounded figures may not sum up

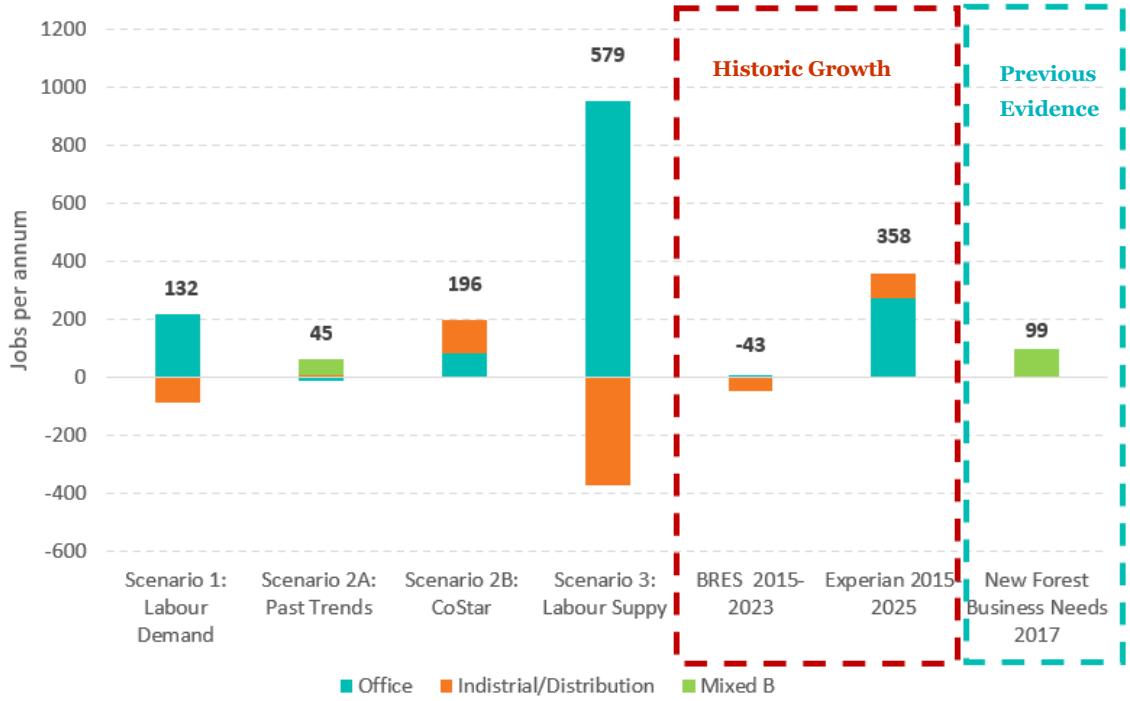
Comparison across the Employment Growth Scenarios

5.32 Given the range of potential requirements implied by the different scenarios, it is useful to compare the employment growth implied by the above scenarios against the historic employment growth in the Authorities as recorded by BRES.

5.33 Figure 5.2 shows the forecast annual job growth per scenario in New Forest District Council. In this context, the lowest estimate is based on Scenario 2A (Past Trends) which implies an annual growth of 45 jobs per annum over the Local Plan Period. The highest growth estimate is based on the Labour Supply scenario that implies an annual growth of

579 jobs per annum. The Labour Demand scenario implies a growth of 132 jobs per annum and Scenario 2B implies a growth of 196 jobs per annum. Looking at Historic Growth, BRES highlights from 2015 to 2023 a decline of 43 jobs annually. Meanwhile, Experian historic data highlights annual growth of 358 jobs per annum. Compared to the jobs implied by the 126,000 sq.m (i.e., 99 jobs per annum) requirement set out in the last evidence study for New Forest District (Chilmark, 2017), Scenarios 1a and 2A seem to align better.

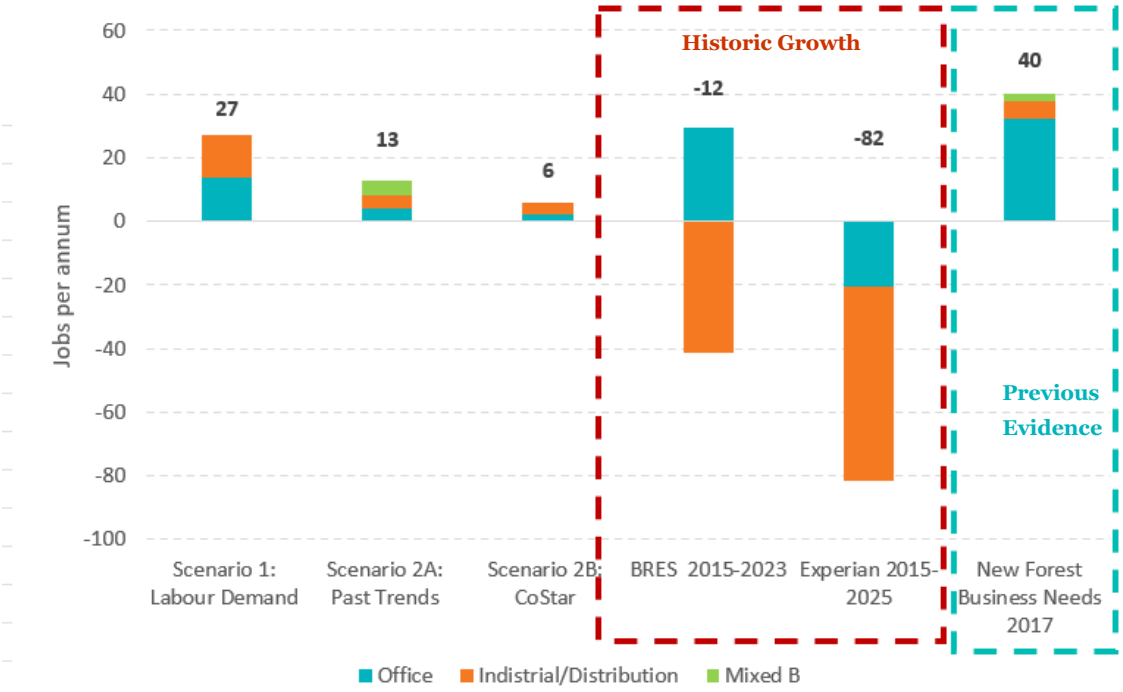
Figure 5.2 Annual Employment Growth Comparison with Historic Growth-New Forest District Council



Source: Lichfields analysis, NFDC, BRES, Experian

5.34 Figure 5.3 shows that in the National Park, the lowest estimate of annual job growth is from Scenario 2B CoStar net absorption, which highlights an annual growth of 6 jobs per annum. Meanwhile, the highest growth estimate is based on the Labour Demand Scenario with 27 jobs per annum. Scenario 2A Past Trends, sits in between the two scenarios with 13 jobs per annum. Taking a look at historic job growth highlights that both BRES and Experian have recorded a decline in job growth in the National Park, with BRES highlighting a decline of 12 jobs per annum and Experian a decline of 82 jobs per annum. Compared to the jobs implied by the 18,000 sqm requirement set out in the last evidence study for the New Forest National Park (Chilmark, 2017), Scenario 1 would appear to align better.

Figure 5.3 Annual Employment Growth Comparison with Historic Growth-National Park



Source: Lichfields analysis, National Park, BRES, Experian

Net to Gross Employment Requirements

5.35 Drawing together the results from each of the future economic scenarios considered above Table 5.11 summarises the net employment floorspace requirements across the Plan period to 2043.

Table 5.11 Net Employment Requirements in New Forest District and New Forest National Park

Scenario	Area	Office E(g)(i)/(ii)	Light Industrial E(g) (iii)	General Industrial (B2)	Distribution (B8)	E(g) B2 B8*	Total
Scenario 1: Labour Demand	New Forest District Council	59,290	32,630	-21,970	-30,590	-	**39,360**
	New Forest National Park	3,770	240	3,810	-4,750	-	**3,070**
Scenario 2A: Past Trends	T&W	720	1,120	3,690	2,110	2,160	**9,800**
	AV&D	-3,320	-480	-90	3,040	49,420	**48,580**
	SCT	-1,570	-2,000	-730	-970	18,050	**12,800**
	New Forest	-4,160	-1,370	2,880	4,180	69,640	**71,170**

Scenario	Area	Office E(g)(i)/(ii)	Light Industrial E(g) (iii)	General Industrial (B2)	Distribution (B8)	E(g) B2 B8*	Total
	District Council						
	New Forest National Park	1,090	-240	760	3,730	6,810	**12,160**
Scenario 2B: CoStar Net Absorption	T&W	1,670	33,590			-	**35,250**
	AV&D	18,120	26,870			-	**44,990**
	SCT	2,460	24,250			-	**26,710**
	New Forest District Council	22,240	84,710			-	**106,950**
	New Forest National Park	580	3,290			-	**3,870**
Scenario 3: Labour Supply	New Forest District Council & National Park	259,510	142,800	-103,870	-144,580	-	**153,860**

Source: Lichfields analysis
*Mixed-use classification applies only to the past trends Scenario 2A, based on the data availability
Note: Rounded figures may not sum up

Safety Margin

5.36 To estimate the overall requirement of employment floorspace that should be planned for in allocating sites, and to give some flexibility of provision, it is normal to add an allowance as a safety margin to provide a degree of contingency for delays in some sites coming forward for development. There is a need to ensure a reasonable, but not over-generous, additional allowance that provides for some flexibility but avoids over-provision of land through policy. However, it also needs to reflect that there may be potential delays in some of the development sites coming forward for development.

5.37 It is typical to use two years of net take-up, however, in cases where this is negative (i.e B8 floorspace for AV&D or office floorspace for New Forest District), and therefore it would produce a negative margin, the gross annual rate is applied. An allowance related to the annual gross rate for office employment uses has been applied. Overall, this safety margin appears to be an appropriate level relative to the estimated scale of the net requirements (i.e., c 15% of the net requirements of Scenario 2a for the sub areas in the District and 11% for the National Park).

5.38 Table 5.12 outlines the safety margins applied in this assessment, based on monitoring data from the relevant authorities. For the Labour Demand, CoStar Net Absorption, and Labour Supply scenarios — where E(g)/B1-B8 floorspace is not reported — the safety margin has been apportioned across the other use classes based on their share of the total delivery rates.

Table 5.12 Safety Margin Allowance (sq.m)

Type of Space/Use Class	Safety Margin				
	T&W	AV&D	SCT	New Forest District	New Forest National Park
Office E(g)(i)/(ii)	80	250	460	790	120
Light Industrial E(g) (iii)	120	0	0	120	0
General Industrial (B2)	990	70	50	1,110	90
Distribution (B8)	230	520	320	1,070	420
E(g) B2 B8*	240	5,490	2,010	7,740	760
Total	**1,670**	**6,330**	**2,840**	**10,840**	**1,380**

Source: New Forest District Council / New Forest National Park / Lichfields analysis (totals rounded)
*Mixed-use classification based on the availability of monitoring data
Note: Rounded figures may not sum up

Loss allowance

5.39 To translate the net requirement of employment space into a gross requirement, an allowance is typically made for the replacement of the lost employment space that may be developed for other, non-employment uses. This allowance ensures that sufficient space is re-provided to account for employment space that is anticipated to be lost.

5.40 There are typically four approaches to calculate the level of this allowance, including:

1 Forecast the quantity of floorspace that will be lost in future and assume that a proportion of this space will need to be replaced. The limitation is that there is no definitive way of forecasting how much space will be lost, and the future may be very different from the past. If this method is used, the Authorities needs to look carefully at past losses and use local knowledge to make a judgement on how the future might compare with the past.

2 Make an overall adjustment to the preferred scenario to give an allowance for replacement. This is a simple approach, but is likely to rely on making a fairly broad assumption.

3 Monitor the loss of employment space through regular reviews in the local plan thereby avoiding the need to make assumptions about the future loss of employment space. If these periodic reviews indicate a loss of high quality, occupied floorspace and vacancy rates continued to be low, the Authorities could take steps to replace this space by increasing the floorspace requirement accordingly. However, any Local Plan review reflecting the monitoring findings would take some years to come forward.

4 As part of the employment evidence the Authorities undertakes a qualitative assessment of existing employment sites, to identify those which could be lost to non-employment uses, either because they are no longer suitable or viable for employment, or because they are judged as being needed for an alternative use, such as housing. Based on this assessment, the employment land calculation can develop different scenarios to illustrate possible futures, and plan for new sites accordingly.

5.41 The fourth approach, in which the Authorities specifically identifies employment sites and areas that may be lost to other uses in the future, is generally the most robust way of dealing with losses. The qualitative assessment of existing large employment areas is an important element of the evidence base. As well as policies and decisions regarding new development sites, this evidence can inform policies on the safeguarding or release of existing employment sites. Without such policies, there is a risk of losing employment land to other uses, which may be desirable to safeguard. Conversely, they also risk protecting sites which do not merit protection, because they are no longer suitable or commercially attractive for employment. The Authorities will also need to consider the potential needs for housing and how to balance those needs against employment requirements which can be informed by this study.

5.42 As presented in Section 3.0, New Forest District Council undertook a survey of 90 sites and has identified **five sites to be released, totalling 6.22 ha**. As detailed in paragraph 3.10, a total of 0.82 ha will be lost in Avon Valley & Downlands, estimated to equate to 3,280 sq.m[19] of floorspace, 1.18 ha (or 4,720 sq.m) in Totton & Waterside and 4.22 ha (or 16,800 sq.m) in South Coastal Towns. These sites relate to light industrial/industrial/ warehousing uses based on the Council's site assessments (i.e., releases within Use Class E(g)(iii)/B2/B8). No further releases are anticipated within the National Park.

Gross Employment Requirements

5.43 Summarising the above, Table 5.13 presents the gross employment floorspace requirements to 2043 (i.e., comprising the net requirements presented in Table 5.11 combined with the safety margin and the loss allowance) across all the scenarios assessed in this section, while Table 5.14 presents the equivalent land requirements.

Table 5.13 Gross Employment Space Requirements in NFDC and National Park, 2025 to 2043 (sq.m)

Scenario	Area	Office E(g)(i)(ii)	Light Industrial E(g)(iii)	General Industrial (B2)	Distribution (B8)	E(g)/ B2/B8*	Eg(iii)/ B2/ B8** (loss allowance)	Total
Scenario 1: Labour Demand	New Forest District	62,050	33,060	-18,080	-26,840	-	24,800	**74,990**
	New Forest National Park	4,040	240	4,000	-3,830	-	-	**4,450**
Scenario 2A: Past Trends	T&W	800	1,240	4,690	2,340	2,400	4,720	**16,190**
	AV&D	-3,070	-480	-10	3,560	54,910	3,280	**58,190**
	SCT	-1,110	-2,000	-680	-650	20,060	16,800	**32,420**

[19] Assuming a plot ratio of 0.4

Scenario	Area	Office E(g)(i)(ii)	Light Industrial E(g)(iii)	General Industrial (B2)	Distribution (B8)	E(g)/ B2/B8*	Eg(iii)/ B2/ B8** (loss allowance)	Total
	New Forest District	-3,380	-1,240	4,000	5,250	77,370	24,800	**106,800**
	New Forest National Park	1,220	-240	850	4,150	7,570	-	**13,550**
Scenario 2B: CoStar Net Absorption	T&W	1,760	35,170			-	4,720	**41,650**
	AV&D	19,990	31,330			-	3,280	**54,600**
	SCT	4,040	25,510			-	16,800	**46,350**
	New Forest District	25,790	92,010			-	24,800	**142,600**
	New Forest National Park	850	4,400			-		**5,250**
Scenario 3: Labour Supply	New Forest District and National Park	262,260	143,240	-99,970	-140,830	-	24,800	**189,500**

Source: Lichfields analysis Note: Rounded figures may not sum up

*Mixed-use classification applies only to the past trends Scenario 2A, based on the data availability

**Based on the possible forthcoming site releases aligned with the NFDC's site assessment. These relate to light industrial, industrial and distribution uses.

Table 5.14 Gross Employment Space Requirements in NFDC and National Park, 2025 to 2043 (ha)

Scenario	Area	Office E(g)(i)(ii)	Light Industrial E(g)(iii)	General Industrial (B2)	Distribution (B8)	E(g)/ B2/B8*	Eg(iii)/ B2/ B8**	Total
Scenario 1: Labour Demand	New Forest District	10.55	8.27	-4.52	-6.71	-	6.22	**13.81**
	New Forest National Park	0.69	0.06	1.00	-0.96	-	-	**0.79**
Scenario 2A: Past Trends	T&W	0.14	0.31	1.17	0.59	0.60	1.18	**3.99**
	AV&D	-0.52	-0.12	0	0.89	13.73	0.82	**14.80**
	SCT	-0.19	-0.5	-0.17	-0.16	0.02	4.22	**3.22**
	New Forest District	-0.57	-0.31	1.00	1.31	19.34	6.22	**26.99**
	New Forest National Park	0.21	-0.06	0.21	1.04	1.89	-	**3.29**
Scenario 2B: CoStar Net Absorption	T&W	0.30	8.79			-	1.18	**10.27**
	AV&D	3.40	7.83			-	0.82	**12.05**
	SCT	0.69	6.38			-	4.22	**11.29**
	New Forest District	4.25	23.20			-	6.22	**33.67**
	New Forest National Park	0.14	1.10			-	-	**1.24**

Scenario 3: Labour Supply	New Forest District and National Park	44.58	35.81	-24.99	-35.21	-	6.22	**26.41**

Source: Lichfields analysis
Note: A plot ratio of 2.0 for office town centre uses (40% of total office stock) and 0.4 for out-of-centre business park style office space (60% of total office stock); and 0.4 for light industrial, industrial uses and warehousing and distribution uses.
*Mixed-use classification applies only to the past trends Scenario 2A, based on the data availability
**Based on the forthcoming site releases aligned with the Council's site assessment. These relate to light industrial, industrial and distribution uses.

Summary

5.44 This section considers four scenarios to help inform the future level of employment land provision to be planned for within the new Local Plans. The employment requirements vary for the two Authorities as summarised below.

1 The employment requirements for New Forest District range from 74,990 sq.m (Scenario 1) to 189,500 sq.m (Scenario 3), with Scenario(s) 2 in relation to past trends and market trends providing a more balanced position. In particular, Scenario 2A: Past Trends resulting in a need for 106,800 sq.m in the District balances better the historic trends and also aligns with the previous employment evidence estimates (i.e., Chilmark 2017), which estimated a need for 126,000 sq.m across the 2016-2036 period. However, Scenario 2B, which implies a need for 142,600 sq.m, represents a better reflection of the market activity across the various sub-areas and also does not result in negative requirements for office uses. Although the employment growth estimated in Scenario 1 also aligns with the employment growth implied by the 2017 employment evidence, the distribution of need across the different types of space differs and results in negative demand for industrial and distribution space, which is not reflective of what has been provided in the past based on net completions. Considering the above, the recommended requirements in New Forest District range between 106,800 sq.m and 142,600 sq.m.

2 Looking at the requirements for the different types of space more specifically, and combining it with the market analysis, it should be noted that the need should focus primarily on light industrial, industrial and warehousing activity rather than the office market. Based on the feedback from property agents, the local office market is considered to be modest. On this basis, the distribution of needs across the different uses is more reflective of the past trends and market trends scenarios (Scenarios 2A and 2B). As Scenario 2A results in negative office requirements, ***the minimum recommended office needs across the District should be positive up to c 25,790 sq.m aligned with Scenario 2B: CoStar Net Absorption. Similarly, the minimum recommended space for the industrial uses (i.e., Eg(iii)/B2/B8) should be in the region of 110,000-117,000 sq.m (i.e., 110,180 sq.m (Scenario 2A) to 116,810 sq.m (Scenario 2B)).***

3 Setting specific requirement figures for individual sub areas requires greater caution as data at a more local level can be more volatile and subject to outliers. However, Scenario 2A and 2B imply the following requirements, which should be regarded as indicative:

i Totton & Waterside sub-area: 16,190 – 41,650 sq.m, distributed to 800-1,760 sq.m of office and 15,390 – 39,890 of industrial (including light industrial and warehousing space but excluding port-related activity).

ii Avon Valley & Downlands sub-area: 54,600 – 58,190 sq.m, distributed to up to 19,990 sq.m of office and 34,610-61,260 sq.m of industrial activity (including light industrial and warehousing space). In this sub area, the sum of individual requirements exceeds the overall recommended range due to the fact that office requirements under the past trends Scenario 2A are negative, while the industrial in the same scenario is much higher than Scenario 2B.

iii South Coastal Towns sub-area: 32,420 – 46,350 sq.m distributed to up to 4,040 sq.m of office and 33,530 – 42,310 sq.m of industrial space (including light industrial and warehousing space).

4 Employment requirements for New Forest National Park vary from 4,450 sq.m (Scenario 1) to 13,550 sq.m (Scenario 2A), with the Labour Demand Scenario having a similar level requirement as the CoStar net absorption of around 5,250 sq.m. Although three out of four scenarios suggest a need for c 5,000 sq.m, these scenarios have limitations that are discussed above, and so ***for the National Park sub area, Scenario 2A: Past Trends of 13,550 sq.m is the recommended scenario given that the monitoring data is considered the most appropriate and accurate source of robust evidence for this specific geography***.

5 In the National Park, the recommended office space requirement is 1,220 sq.m, the industrial is 4,760 sq.m, and there is a need for mixed employment uses (i.e., Class Eg/B2/B8) of 7,570 sq.m.

6 It should be noted that this study considers the locally-generated employment needs associated with economic and employment growth in New Forest District and New Forest National Park to 2043. It does not take account of wider 'footloose' or other inward investment needs or any other specific investment position that may arise from other areas or firms, other than to the extent to which the Authorities have accommodated a share of this need historically, and accordingly, they are now reflected in the trends which inform the various forecasts.

6.0 Balance of Demand and Supply

6.1 This section draws together the forecasts of future employment land needs estimated in section 5.0 and the emerging supply position to identify any need for more provision of employment space, or potential surpluses of it, in quantitative terms.

Potential sources of supply

6.2 For the purpose of this assessment, the future employment land supply position in the study area is assumed to comprise the following:

- **Planning commitments:** comprising sites with extant permission for employment floorspace (including those under construction) as recorded by the Authorities monitoring data. It is assumed that these permissions will be fully implemented.
- **Undeveloped allocated land:** comprising land allocated for employment use that remains undeveloped and does not currently have planning permission. It represents a potential future supply that could be delivered over the plan period.

6.3 The port sites, namely the land at Marchwood Port and the vacant expansion land at the Fawley Oil Refinery Complex, are excluded from this analysis, which is informed and aligned with the findings of the Port and Marine Business Needs Assessment.

6.4 Table 6.1 presents the key extant permissions for employment floorspace based on the New Forest District Council monitoring data. While information on extant permissions within the New Forest National Park is available through the Authority's latest Annual Monitoring Reports (AMR), it is presented in aggregated form, and detailed site-level data is not provided.

Table 6.1 Key Extant Permissions (1 April 2024)

Key Extant Permissions	Sub area	Proposal	Status	Total net outstanding supply
Land south of Gordleton Industrial Estate (19/10565)	SCT	Construction of 4 buildings for flexible B1-B8 use	The first plot has been completed and the remained of the site has not yet started	5,205 sq.m of B1-B8
Hoborne Enterprise Park (17/11230)	AV&D	Construction of 21 industrial/office units (B1-B8 use)	Phase 1 Block D has been built, and remaining Blocks A-C are still under construction	2,307 sq.m of B1-B8
Land North West of Sandleheath Industria Estate (14/11246)	AV&D	Construction of a B1/B2/B8 development	A portion of the development is complete and part consented has not started.	1,967 sq.m of B1-B8
Little Testwood Farm (22/10714)	T&W	Construction of B2/B8 industrial unit	Not started	1,848 sq.m of B2-B8

Key Extant Permissions	Sub area	Proposal	Status	Total net outstanding supply
		and Class E retail development		
Compound H, Endeavour Business Park (23/10290)	AV&D	Construction of a workshop and storage unit	Not started	1,564 sq.m of B8
Court Farm (22/10127)	AV&D	Redevelopment of farm building to provide Class E industrial	Not started	811 sq.m B1 E(g)

Source: New Forest District Council (2024)

6.5 Table 6.2 provides a summary of the supply pipeline arising from extant permissions by sub area, highlighting a total supply of 18,900 sq.m in New Forest District and 1,140 sq.m in the New Forest National Park.

Table 6.2 Extant permissions (1 April 2024) (sq.m)

Area	Office E(g)(i)/ E(g)(ii)	Light industrial E(g)(iii)	Industrial and Distribution (B2/B8)	Distribution (B8)	Industrial (B2)	B1 E(g)	B1-B8	Total
T&W	-	800	1,850	-	-	-	-	2,650
AV&D	1,590	-	-	1,570	-	810	4,890	8,860
SCT	370	-	-		-	-	7,020	7,390
New Forest District	**1,960**	**800**	**1,850**	**1,570**	**-**	**810**	**11,910**	**18,900**
New Forest National Park	**-**	**-**	**-**	**350**	**210**	**580**	**-**	**1,140**

Source: New Forest District Council (2024) / New Forest National Park Authority (2024)
Note: Rounded figures may not sum

6.6 With regard to site allocations, the New Forest National Park does not include specific employment land allocations; therefore, its available supply is based solely on extant planning permissions and further windfall sites coming forward in accordance with the development plan. In contrast, New Forest District has several employment land allocations within both the Local Plan 2016–2036 and Local Plan Part 2, with remaining undeveloped land summarised in Table 6.3 below.

Table 6.3 Undeveloped Allocations in New Forest District Council

Allocation	Policy	Sub area	Use Class	Outstanding area (ha)	Outstanding floorspace (sq.m)*
SS1 Land to the North of Totton	Local Plan 2016-2036 Part 1- Employment Policy SS1	T&W	B1-B8	5.00	20,000
SS4 the Former Fawley Power Station	Local Plan 2016-2036 Part 1- Employment Policy SS4	T&W	B1-B8	10.00	40,000
SS14 Land North of Hightown Road	Local Plan 2016-2036 Part 1- Employment Policy SS 14	AV&D	B1-B8	3.00	12,000
Land East of Caird Avenue	New Milton Neighbourhood Plan- Policy NM3	SCT	E(G) B1	0.45	1,800
Land West of Caird Avenue	Local Plan Part 2 (2014)- Policy NMT9	SCT	B1-B8	1.10	4,400
Land south of Wellworthy Way, Forest Gate Business Park	Local Plan Part 2 (2014)-Policy RING 1	AV&D	B1-B8	0.71	2,840
Land west of Crow Arch Lane	Local Plan Part 2 (2014)- Policy RING 3	AV&D	B1-B8	1.82	7,280
Land to the rear of Sandleheath Industrial Estate	Local Plan Part 2 (2014)- Policy SAND 2	AV&D	B1-B8	0.60	2,400
Total				**22.70**	**90,720**

Source: New Forest District Council (2024) Note: Rounded figures may not sum

*Using a plot ratio of 0.4 to estimate floorspace

6.7 Synthesising the above, the emerging supply position for New Forest District is c.109,620 sq.m and for New Forest National Park is 1,140 sq.m. It is noted that more than half of the supply of floorspace in the New Forest District is located in Totton & Waterside for mixed E(g) uses.

Table 6.4 Supply Position: Extant permissions and Allocation capacity (sq.m)

Area	Office E(g)(i)/ E(g)(ii)	Light industrial E(g)(iii)	Industrial and Distribution (B2/B8)	Industrial (B2)	Distribution (B8)	E(g)	E(g)/B2/B8	Total
T&W	-	800	1,850	-	-	-	60,000	62,650
AV&D	1,590	-	-	-	1,560	810	29,410	33,380
SCT	370	-	-	-		1,800	11,420	13,590
New Forest District	**1,960**	**800**	**1,850**	**-**	**1,560**	**2,610**	**100,830**	**109,620**
New Forest National Park	**-**	**-**	**-**	**210**	**350**	**580**	**-**	**1,140**

Source: New Forest District Council (2024) / New Forest National Park Authority (2024)

Quantitative Balance

6.8 Based on the conclusions of section 5.0, there is an identified need for employment floorspace of 74,990 sq.m (Scenario 1) to 142,600 sq.m (Scenario 2B) for New Forest District and 4,330 sq.m (Scenario 2B) to 13,550 sq.m (Scenario 2A) for the National Park. Scenario 3 – Labour Supply covers the entire study area aligned with the housing evidence. These requirements include a safety margin to allow for potential delays in sites coming forward for development and to provide some flexibility over the Plan period, as well as the future losses identified through the site surveys.

6.9 A broad comparison of the estimated demand for employment use space against the supply, as shown in Table 6.5 implies that for Scenario 1 and 2A, New Forest District has sufficient supply but would not be able to meet the requirements for Scenario 2B or Scenario 3. Against the recommended need of 106,800 – 142,600 sq.m (Scenarios 2A and 2B), there is **a shortfall of up to 32,980 sq.m in the District.** Meanwhile, for the National Park, all three scenarios would result in a shortfall of floorspace varying between 3,190 and 12,410 sq.m. Against the recommended scenario (Scenario 2A), there is **a shortfall of 12,410 sq.m in the National Park.**

Table 6.5 Demand-Supply of Employment Space in New Forest District Council, 2025-2043

	Scenario 1: Labour Demand	Scenario 2A Past Trends	Scenario 2B: CoStar Net Absorption	Scenario 3: Labour Supply*
Employment Requirements	74,990	106,800	142,600	189,500
Employment Supply/Capacity	109,620			
Surplus (+)/Shortfall (-)	**+34,630**	**+2,820**	**-32,980**	**-79,880**

Source: Lichfields analysis

* Labour Supply Scenario refers to both the District and the National Park, aligned with the housing evidence

Table 6.6 Demand-Supply of Employment Space in New Forest National Park, 2025-2043

	Scenario 1: Labour Demand	Scenario 2A Past Trends	Scenario 2B: CoStar Net Absorption
Employment Requirements	4,450	13,550	5,250
Employment Supply/Capacity	1,140		
Surplus (+)/Shortfall (-)	**-3,310**	**-12,410**	**-4,110**

Source: Lichfields analysis

6.10 Taking a closer look at the demand and supply balance by use class, it shows that the majority of available space falls within mixed E(g) use classes, which aligns well with the demand forecast.

6.11 In terms of the spatial distribution of this supply across the district's sub-areas, this is uneven as presented in Table 6.7. When measured against the indicative requirements set out in section 5.0, there are significant shortfalls in the supply within Avon Valley & Downlands and South Coastal Towns as presented below. In contrast, when comparing the supply in Totton & Waterside against the requirement under Scenario 2A, this highlights a surplus.

Table 6.7 Demand-Supply of Employment Space by Sub areas, 2025-2043 (sq.m)

	Indicative Requirement	Supply	Surplus (+)/Shortfall (-)
T&W	Up to 41,650	62,650	**+21,000**
AV&D	Up to 58,190*	33,380	**-24,810**
SCT	Up to 46,350	13,590	**-32,760**
New Forest District	Up to 142,600	109,620	**-32,980**
New Forest National Park	13,550	1,140	**-12,410**

*In this sub area, the sum of individual requirements exceeds the overall recommended range due to the fact that office requirements under the past trends Scenario 2A are negative, while the industrial in the same scenario is much higher than Scenario 2B.
Source: Lichfields analysis

Summary

6.12 The key points of this section are summarised below.

1 According to the PPG, an analysis of the supply and demand position is intended to allow policy makers to identify whether there is a mismatch between the quantitative and qualitative supply of, and demand for, employment uses. This enables an understanding of which market segments are potentially over-supplied and which are under-supplied.

2 Against the recommended minimum requirement for New Forest District there is, in quantitative terms, insufficient supply to meet the District's requirement, resulting in a shortfall of up to 8,170 sq.m. Based on the distribution of available supply, which is skewed towards Totton & Waterside, there is a particular deficit of employment floorspace to meet local demand for Avon Valley & Downlands and South Coastal

Towns sub-areas. It should be noted that this demand-supply balance analysis assumes that all outstanding planning permissions and the identified capacity on allocations will come forward in full during the Local Plan period. Any deviation from this assumption could potentially have an effect on the balance of space within the Authorities.

3 There is a limited supply identified in the National Park (of just 1,140 sq.m), which against the minimum requirement of 13,550 sq.m, results in a shortfall of 12,410 sq.m.

4 In light of these factors, it is recommended that both Authorities allocate and safeguard additional employment land to at least meet the minimum requirements to 2043. Doing so would provide greater flexibility and choice for both existing and future businesses, and help address the current geographical imbalances in employment land provision across the study area.

7.0 Conclusions and Policy Recommendations

7.1 This section draws together the overall conclusions considering the economic development needs arising in the study area across the Local Plan period from 2025 to 2043.

Commercial Property Market Review

7.2 The commercial property market in New Forest District is primarily made up of industrial space with a less prominent office market. According to the latest VOA data, over the past 20 years, the district experienced a 14.9% growth in employment floorspace, contrasting with a 7.3% decline across the wider Solent area. Across the different sub-areas, Totton & Waterside is the district's principal employment location, accommodating 62.5% of all employment floorspace, including most of the B8 distribution and open storage capacity.

7.3 The monitoring of net development rates between 2006/07 and 2023/24 shows that Avon Valleys & Downlands sub-area had the most substantial net gain at +41,150 sq.m. The remaining sub-areas recorded modest gains varying between 5,420 sq.m and 11,160 sq.m across the same period.

7.4 Since the introduction of Permitted Development Rights (PDR) in 2013, around 4,030 sq.m of employment space has been lost, predominantly office space (3,670 sq.m) to residential conversions, including at least 13 such cases in the National Park.

7.5 The office market remains relatively small and subdued. Vacancy stands at 4.1%, below the South Coast average, with moderate rental growth of 5.9% over the past three years. Demand is generally weak and focuses on small units (<250 sq.m), with minimal interest in new-build schemes. Adaptive reuse – often involving rural or agricultural buildings – is the preferred route for meeting office demand according to engagement with local agents.

7.6 Among the different sub-areas, Avon Valleys & Downlands has the highest long-term net absorption, while the National Park experienced a net loss. The South Coastal Towns showed the strongest performance overall, with the lowest vacancy (1.7%) and highest rents (£17.17/sq.ft). Totton & Waterside, in contrast, saw particularly weak office demand in the past year and has very limited space availability.

7.7 The industrial sector dominates the local commercial property market activity. It maintains a low vacancy rate of 3.4% and has seen significant rental growth (17.2%) over the last three years. Activity is largely small-scale, with limited speculative development, much of which stems from the repurposing of agricultural land. Totton & Waterside serves as the main industrial hub, benefiting from its strategic location near the Port of Southampton and M27. However, it faces mounting capacity pressures. Demand has shifted toward smaller units (<3,000 sq.m), especially sub-1,000 sq.m spaces. New build industrial development is rare outside Totton & Waterside, based on feedback from local agents, with a greater focus on repurposing existing stock.

Land and Premises Review

7.8 The Authorities have undertaken a comprehensive site survey of employment sites, of which the findings indicate a generally healthy supply of employment land across the study area, with many sites offering potential for future intensification or redevelopment.

Although some sites face physical or locational constraints, their continued use reflects their importance in supporting the local economy.

7.9 In the New Forest District, 91% of the 90 sites assessed were rated as average quality or better, with only eight sites falling below this standard and none classified as low quality. Sites with high assessment scores, such as Pullman Business Park and Ampress Park, stood out for their favourable locations and well-maintained infrastructure. In contrast, lower-rated sites often suffered from poor access, outdated buildings, and inadequate infrastructure. A total of 31 sites were identified by the Councils as having redevelopment or expansion potential; however, not all of this supply has been included within the identified future supply. The assessment also suggests the release of five employment sites equating to a future loss of 6.2 ha (or 24,800 sq.m), which has been included in the future loss allowance in estimating employment requirements to 2043.

7.10 In the New Forest National Park, 38 out of 40 surveyed sites remain in active employment use, with 84% meeting at least average quality standards. Two sites were lost to residential developments. High-quality sites such as Meridien Modena and Mortimers Farm Industrial Estate offered good access, sound building conditions, and low vacancy levels. Although a small number of sites were rated below average or low, they continue to meet local employment needs and are not proposed for release, given the limited availability of employment land in the National Park.

The Current and Future Labour Market

7.11 Section 4 sets out the labour market conditions with New Forest District and the National Park. The study area currently demonstrates strong labour market performance, with an above-average employment rate of 76.2% in 2021. However, this is counterbalanced by a high economic inactivity rate (20.6%) driven largely by an ageing population — 30% of residents were aged 65+ in 2021, projected to rise to 37.3% by 2043. This demographic trend presents long-term challenges for maintaining a sustainable workforce and economic resilience.

7.12 In terms of the various economic sectors, there is a specialisation in marine, advanced manufacturing, care, hospitality, and land-based industries—each significantly overrepresented across the study area compared to national averages. While these sectors underpin the local economy, the district lags in high-value-added sectors such as ICT and finance, potentially limiting productivity growth. Business activity is concentrated in Totton & Waterside, which benefits from strategic transport links and hosts the largest share of medium-sized firms, while other areas, such as the National Park and South Coastal Towns, are dominated by micro-businesses with distinct local sectoral strengths.

7.13 Looking ahead, regional trends and initiatives such as the Solent Freeport (part of the port-related sites) are expected to drive job creation. However, based on the findings of the Port and Marine Business Need Assessment, it is not expected that additional floorspace requirements will need to be provided in other employment areas outside of the port sites.

Future Employment Space Requirements

7.14 Four different scenarios of future needs are considered in section 5.0. These indicate the broad scale and type of growth arising from different approaches to modelling the future employment space needs.

7.15 For New Forest District Council, the total employment requirements range from 74,990 sq.m (Scenario 1) to 189,500 sq.m (Scenario 3), with Scenarios 2A and 2B in relation to past trends providing a more balanced position. In particular, Scenario 2A: Past Trends – based on the Council's monitoring data – results in a need for 106,800 sq.m, and balances better the historic trends and also aligns with the previous employment evidence estimates (i.e., Chilmark 2017), which estimated a need for 126,000 sq.m across the 2016-2036 period. Meanwhile, Scenario 2B, which implies a need for 142,500 sq.m, represents a better reflection of the market's activity across the various sub areas and also – in contrast to scenario 2A – results in a positive requirement for office uses in the District. Considering the above, the recommended requirements in New Forest District Council vary between 106,800 sq.m and 142,600 sq.m.

7.16 Considering the different types of space required, it should be noted that the need focuses primarily on the light industrial, industrial and warehousing activity rather than the office market, which, based on the property agents, is considered modest. As Scenario 2A results in negative office requirements, the minimum recommended office needs across the District should be up to c 25,790 sq.m aligned with Scenario 2B: CoStar Net Absorption. Similarly, the minimum recommended space for the industrial uses (i.e., Eg(iii)/B2/B8) should be in the region of 110,000-120,000 sq.m (i.e., 110,180 sq.m (Scenario 2A) to 117,590 sq.m (Scenario 2B)).

Table 7.1 Gross Employment Requirements in New Forest District Council

Type of Space/Use Class	Scenario 1: Labour Demand		Scenario 2A: Past Trends		Scenario 2B: CoStar Net Absorption		Scenario 3: Labour Supply (includes the National Park)	
	sq.m	ha	sq.m	ha	sq.m	ha	sq.m	ha
Office E(g)(i)/(ii)	62,050	10.55	-3,380	-0.57	25,790	4.25	262,260	44.58
Industrial and Distribution Eg(iii)/B2/B8	12,940	3.26	32,810	8.22	116,810	29.42	-72,760	-18.17
E(g) B2 B8*	-	-	77,370	6.22	-	-	-	-
Total	**74,990**	**13.81**	**106,800**	**26.99**	**142,600**	**33.67**	**189,500**	**26.1**

Source: New Forest District Council (024) / Lichfields analysis
*Mixed-use classification applies only to the past trends Scenario 2A, based on the data availability
Note: Totals rounded

7.17 Across the different sub areas, the indicative requirements derived by Scenarios 2A and 2B range as presented below. The recommended space requirement to inform plan-making should be for the District as a whole. Disaggregating at this lower geographical level is inevitably less accurate and so the ranges set out below are indicative.

- Totton & Waterside sub area: 16,190 – 41,650 sq.m, distributed to 800-1,760 sq.m of office and 15,390 – 39,890 of industrial (including light industrial and warehousing space but excluding port-related activity).
- Avon Valley & Downlands sub area: 54,600 – 58,190 sq.m, distributed to up to 19,990 sq.m of office and 34,610-61,260 sq.m of industrial activity (including light industrial and warehousing space). In this sub area, the sum of individual requirements exceeds the overall recommended range due to the fact that office requirements under the past trends Scenario 2A are negative, while the industrial in the same scenario is much higher than Scenario 2B.
- South Coastal Towns sub area: 32,420 – 46,350 sq.m distributed to up to 4,040 sq.m of office and 33,530 – 42,310 sq.m of industrial space (including light industrial and warehousing space).

7.18 Employment requirements for New Forest National Park vary from 4,450 sq.m (Scenario 1) to 13,550 sq.m (Scenario 2A). Scenario 2A: Past Trends resulting in a need for 13,550 sq.m is the recommended scenario for the National Park sub area, given that the monitoring data is considered the most appropriate source of robust evidence for the scale of the National Park. The recommended office space requirement is 1,220 sq.m, the industrial is 4,760 sq.m, and there is a need for mixed employment uses (i.e., Class Eg/B2/B8) of 7,570 sq.m.

Table 7.2 Gross Employment Requirements in National Park

Type of Space/Use Class	Scenario 1: Labour Demand		Scenario 2A: Past Trends		Scenario 2B: CoStar Net Absorption	
	sq.m	ha	sq.m	ha	sq.m	ha
Office E(g)(i)/(ii)	4,040	0.69	1,220	0.21	850	0.14
Industrial and Distribution E(g)(iii)/B2/B8	410	0.10	4,760	1.19	4,400	1.10
E(g) B2 B8*	-	-	7,570	1.89	-	-
Total	**4,450**	**0.79**	**13,550**	**3.29**	**5,250**	**1.24**

Source: New Forest National Park Authority (2024) / Lichfields analysis
*Mixed-use classification applies only to the past trends Scenario 2A, based on the data availability
Note: Totals rounded

7.19 It should be noted that this employment evidence considers the locally-generated employment needs arising from economic and employment growth in the Authorities to 2043. It does not take account of wider 'footloose' – for example, strategic logistics or other inward investment needs that may arise from other areas and specific businesses, other than to the extent that New Forest District and the National Park has already accommodated a share of these historically and accordingly they are now reflected in the trends which inform the various forecasts.

7.20 Furthermore, this study is focused on forecasting future employment needs for general employment uses. The Council has commissioned a separate Port and Marine Business Needs Assessment, which assesses the need for port and port-related industries over the

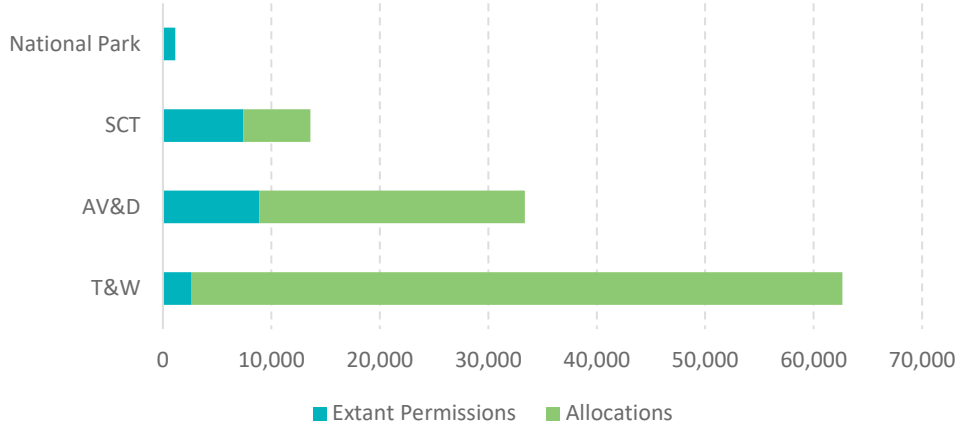
Plan period to 2043. The findings of this study indicate that the majority of the forecast demand for port and marine uses ranges from 151.1 ha to 258.2 ha. This need can be met fully through the supply available in the ABP Strategic Land Reserve. In summary, this port and port-related needs assessment study does not identify any unmet or 'spillover' demand that would need to be accommodated on other employment sites, meaning the employment land supply in this study can be fully directed toward meeting general employment needs.

Balance of Demand and Supply

7.21 As set out in section 6.0, taking into account extant permissions and undeveloped land at allocations within the New Forest District, this results in the emerging supply position of 109,620 sq.m for the District and 1,140 sq.m for the National Park.

7.22 The majority (57%) of emerging supply within the New Forest District Council area is concentrated in Totton & Waterside, as illustrated in Figure 7.1. Most of this supply stems from two allocated sites, SS1 (Land to the North of Totton), which has 5 hectares of outstanding land, and SS4 (the Former Fawley Power Station), with 10 hectares of employment land remaining. It should be noted that the analysis assumes that these sites will come forward in full during the Local Plan period. Any deviation from this assumption could potentially have an effect on the demand and supply balance.

Figure 7.1 Future Supply of Employment Space by sub area



Source: NFDC / National Park (2024) / Lichfields analysis

7.23 Once the future supply is set against the employment land requirements, it implies that for Scenario 1 and 2, New Forest District Council has sufficient supply in quantitative terms but would not be able to meet the requirements for Scenario 2B or Scenario 3. Meanwhile, for the National Park all three scenarios would result in a small shortfall of floorspace.

Table 7.3 Demand-Supply of Employment Space in New Forest District Council, 2025-2043

	Scenario 1: Labour Demand	Scenario 2A Past Trends	Scenario 2B: CoStar Net Absorption	Scenario 3: Labour Supply
Employment Requirements	74,990	106,800	142,600	189,500

	Scenario 1: Labour Demand	Scenario 2A Past Trends	Scenario 2B: CoStar Net Absorption	Scenario 3: Labour Supply
Employment Supply/Capacity	109,620			
Surplus (+)/Shortfall (-)	**+34,630**	**+2,810**	**-32,980**	**-79,880**

Source: Lichfields analysis

Table 7.4 Demand-Supply of Employment Space in New Forest National Park, 2025-2043

	Scenario 1: Labour Demand	Scenario 2A Past Trends	Scenario 2B: CoStar Net Absorption
Employment Requirements	4,450	13,550	5,250
Employment Supply/Capacity	1,140		
Surplus (+)/Shortfall (-)	**-3,310**	**-12,410**	**-4,110**

Source: Lichfields analysis

7.24 It should be noted that this demand-supply balance analysis assumes that all outstanding planning permissions and the identified capacity on allocations will come forward in full during the Local Plan period. Any deviation from this assumption could potentially have an effect on the balance of space within the study area.

7.25 In any case there is need for more land to be identified to meet the recommended requirements in quantitative terms. In particular, there is need for an additional up to 32,980 sq.m in the District's sub-areas to meet the higher end of the recommended range of employment needs (i.e., 106,800 sq.m to 142,600 sq.m) and an additional 12,410 sq.m in the National Park to meet the need for 13,550 sq.m to 2043.

7.26 The Council will also need to have regard to the spatial distribution of future supply, which is currently weighted to two allocations in the Totton & Waterside sub-area, in determining whether there is an appropriately balanced range of employment land opportunities across the District. This will need to be considered in the context of the wider spatial strategy that is proposed within the new Local Plan and in the interests of meeting a range of business needs across the area.

Policy Implications and Recommendations

Provision of employment space

7.27 Taking into account the demand and supply balance, it is recommended that both Authorities consider allocating and safeguarding additional employment land not only to meet the quantitative requirements, but also to provide for greater flexibility and choice for existing and future businesses.

7.28 It is also important to consider the distribution of the existing supply and the potential gaps where the new supply should fit best. Currently the supply is concentrated in specific sites. For example, the Former Fawley Power Station has environmental constraints as well as accessibility issues highlighted in detail in the Port and Marine Business Need Assessment.

7.29 In addition, Totton and Waterside is a very active market commercially, and there is a high demand for industrial units in the area, but this is primarily concentrated in the northern parts, which could serve a larger population and also the urban area of Southampton. The southern parts of the sub area do not concentrate demand for non-related port activities.

7.30 Considering the above, the proposed Local Plan policies should aim to redistribute available floorspace or encourage the delivery of new employment floorspace in areas where demand and activity deficits exist, including the northern parts of Totton and Waterside, the wider Avon Valley & Downlands and the South Coastal Towns sub areas.

7.31 This could also include protecting and utilising further existing employment areas (similar to Policy ECON1), and promoting their renewal, intensification and overall upgrading. The introduction of specific policies that encourage proposals for the upgrading and refurbishment of the existing sites is recommended. In addition, these policies should promote new and, where appropriate, denser premises that meet modern standards required by business, are more resource efficient and capable of meeting the latest energy efficiency standards, and improve the environment or townscape of the site or premises.

7.32 In the case of the National Park with a limited supply pipeline and statutory development constraints, the proposed policies should primarily focus on maximising opportunities through the redevelopment, refurbishment, and on-site intensification of existing sites. While traditionally relying on windfall development, the Authority has an opportunity to take a more proactive stance in identifying and potentially allocating new employment sites where future activity could be considered compatible with the Park's purposes.

7.33 Both Authorities have a significant proportion of older stock of premises. Policies should aim to secure high-grade accommodation and encourage improvements in the poorer quality sites and buildings to increase market attractiveness and ensure they remain fit for purpose.

General protection policy

7.34 Employment policies should generally seek to carefully manage future losses, in particular, the policies should restrict any future development that would not provide a net gain of employment space to take place within the existing well-established employment locations and should only be approved subject to a set criteria-based approach. On this basis, it is recommended that the Authorities should include in their respective Local Plans:

- A policy similar to the New Forest District (outside the National Park) Policy ECON2 for designated employment locations, but this needs to also include the requirement for no net loss of employment space in any redevelopment within the designated employment locations.
- A general protection policy for viable, undesignated employment sites.
- Flexibility to respond to market demand and economic need across all the policies.

7.35 Given that the study area, and particularly the National Park, has seen losses to residential through Permitted Development Rights, the use of Article 4 Directions could be considered where these can be justified so that greater control can be exerted on these changes through the planning system given the need to make best use of existing commercial premises.

Rural sites

7.36 The National Park and the District have a significant range of rural employment sites, especially in or in close proximity to the Park area, which make an important contribution to meeting local employment needs. These sites typically comprise rural accommodations (e,g barn conversions) that are particularly suited to smaller local businesses and start-ups by providing affordable workspace. In addition, they support employment and business opportunities in the parts of the National Park and the District away from the main centres.

7.37 Given their range and diversity, a detailed policy of allocating and protecting all rural employment sites is unlikely to be proportionate, and therefore future planning policy should instead seek to provide a supportive framework for the continued use and potential growth of rural and other small sites subject to the usual planning factors (for example through a criteria-based approach on redeveloping sites and premises currently in employment use).

Strategic logistics needs

7.38 The 2021 Economic, Employment and Commercial Needs Study undertaken by Stantec on behalf of the Partnership for South Hampshire (PfSH) identified a likely need/demand for additional logistics space in the South Hampshire region. The study recommended that the local authorities in PfSH look for up to 5 sites for strategic logistics, each of 8-10 hectares and adjoining the motorway network, although this need is not specifically assigned to the New Forest.

7.39 Market feedback continues to support this, highlighting land around M27 Junction 2 as potentially being well-suited (commercially) to meet strategic logistics requirements should land be made available for development. While this study primarily addresses locally-arising employment needs, the findings of the 2021 study have been sense checked through consultation with commercial agents. On this basis, it is considered that the conclusions of the 2021 Stantec study on strategic logistics remain valid.