



Local Development Plan

2021 > 2036

Cardiff Council - January 2025

Background Technical Paper Number 2

Deposit Plan

Economic



Cardiff Replacement Local Development Plan Deposit Plan 2021 to 2036

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1. Introduction

- 1.1 In 2022, Cardiff Council appointed Hardisty Jones Associates (HJA) in partnership with Owen Davies Consulting and NP Linnells Property Consultants to undertake an Employment Land and Premises Study (ELPS) to inform the review of the Cardiff Local Development Plan (LDP) and the preparation of the Replacement Local Development Plan 2021-2036 (RLDP). The study provided the Council with an up-to-date objective assessment of the appropriate quality and quantity of employment land needed to support the ambitions of national policy; identified where it is necessary to support the retention and protection of existing sites and if new land for sustainable development is required.
- 1.2 The method followed to complete this study was founded on Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan (Welsh Government, 2015), and therefore the study considered the policy context, the commercial property market, audits of employment sites and made recommendations for future land and premises requirements.
- 1.3 This background paper provides a review of the Employment Land and Premises Study and the recommendations to inform the Replacement Local Development Plan economic strategy and provides a robust evidence base on the future employment land requirements and should be read in conjunction with that document.
- 1.4 This background paper outlines the strategic planning and policy context for business and industrial land in the County, based on a review of national and regional policy and an understanding of Cardiff's economic characteristics and trends. The paper considers the labour market and employment scenarios; provides an assessment of current supply and future demand for business and industrial land and recommends an approach to future policy for the safeguarding and provision of land and premises for employment to 2036.
- 1.5 This paper builds upon the ELPS recommendations, taking into consideration the Council's updated supply data, and candidate sites which have been submitted for employment purposes. For the purposes of this paper, employment land refers to sites, premises and floorspace which are for employment within the following Use Classes B1 – B8 of the Town and Country Planning (Use Classes) Order 1987 (as amended). These Use Classes include:-
 - Office use: B1(a) offices
 - Industrial uses: B1(b) research and development/high tech; and B1(c) light industrial
 - General Industrial: B2
 - Warehousing use: B8 storage and distribution.
- 1.6 The definition of employment does not include any other uses that may be a source of employment but which fall outside the 'B' Use Classes such as

hospitals, schools and retail and leisure activities and rural businesses such as quarries and farms. Many emerging activities such as the increasing role of a leisure and retail-based economy, play a major role in economic and employment issues yet do not fall under the direct consideration of employment land allocations.

2. Legislative, Policy and Strategic Context

2.1 This section sets out a review of the relevant legislative, policy context and key strategy documents, drawing out the key implications for economic development for Cardiff.

THE WELL-BEING OF FUTURE GENERATIONS (WALES) ACT (2015)

2.2 The Well-being of Future Generations (Wales) Act (2015) is concerned with improving the social, economic, environmental, and cultural well-being of Wales. It requires the public bodies listed in the Act to think more about the long-term, work better with people, communities, and each other, look to prevent problems and take a collaborative approach to working. The Act puts in place seven well-being goals under a range of headings.

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsive Wales.

2.3 The Act places a duty on the Council to take reasonable steps in exercising its functions to meet the wellbeing objectives set out above. and has been prepared as part of the Council's duty and the 'sustainable development principle', as set out in the Act and has sought to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

Future Wales: The National Plan 2040

2.4 Future Wales: The National Plan 2040 was adopted in February 2021 and replaces the Wales Spatial Plan (WSP). It provides a framework for the future spatial development of Wales and sets a number of outcomes which, when taken together, form a vision for change over the next 20 years.

2.5 Whilst all the policies will need to be addressed in the RLDP, the following policies have relevance to this background paper:

Policy 1 - Where Wales will Grow

This Policy identifies three National Growth Areas, including South East Wales. The spatial strategy diagram supporting this policy identifies that Cardiff is located within the South- East National Growth Area, referred to as 'Cardiff, Newport, and the Valleys'. Policy 1 is supplemented by Policy 33, which specifically relates to the Cardiff, Newport, and the Valleys National Growth.

Policy 2 - Shaping Urban Growth and Regeneration - Strategic Placemaking

Sets out the key placemaking principles that should be considered when determining the location of new development. This includes creating a mix of uses and variety of house types and tenures, building places at a walkable scale with homes, local facilities, and public transport within walking distance and ensuring development is built at appropriate densities with green infrastructure incorporated.

Policy 6 - Town Centre First

Sets out a town centre first approach to the delivery of significant new commercial developments which must be in city centres. A sequential approach must be used to inform the identification of the best location for these developments, and they should be identified in Strategic and Local Development Plans

Policy 33 - National Growth Area – Cardiff, Newport and the Valleys

Identifies Cardiff, together with Newport and the Valleys as a National Growth Area to be the main focus for growth and investment in the South-East region including strategic economic and housing growth; essential services and facilities; advanced manufacturing; transport and digital infrastructure. Policy 33 supports Cardiff's status as an internationally competitive city and a core city on the UK stage. Cardiff will retain and extend its role as the primary national centre for culture, sport, leisure, media, the nighttime economy and finance.

Planning Policy Wales (PPW) Edition 12 (February 2024)

2.6 Planning Policy Wales Edition 12 (PPW12) sets out the land use planning policies of the Welsh Government. Important principles which should be addressed through the LDP are:

- to support the provision of sufficient land to meet the needs of the employment market at both a strategic and local level;
- to identify employment land requirements;
- to allocate an appropriate mix of sites to meet need and provide a framework for the protection of existing employment sites of strategic and local importance;
- Sites identified for employment use in a development plan should be protected from inappropriate development;
- an up-to-date evidence to inform the provision of economic development uses is key, and it is important that the evidence demonstrates the suitability of existing employment land supply as well as future provision.
- Planning authorities should work together to produce Employment Land Reviews (ELR) which inform this process. The review should include an assessment of anticipated employment change and land use together with estimates of land provision for employment uses showing net change in land/floorspace. This should be calculated for offices, industrial and warehouse uses separately.

Technical Advice Note (TAN) 23: Economic Development (2014)

2.7 TAN 23 provides guidance on economic development and the role that the planning system plays in the success of the Welsh Economy. The guidance recognises the importance of the economy as a whole, identifying a positive approach to delivery of economic development and how benefits of economic development should be considered alongside social and environmental considerations. The TAN provides guidance for LPAs on:

- Developing high level economic planning objectives;
- Assessing the economic benefits of new development;
- Economic development and the rural economy;
- Preparing an evidence base for a LDP;
- Creating an economic development vision for a LDP; and
- Determining employment land supply.

2.8 The TAN refers to the economic benefits associated with new development and refers development to the most appropriate locations, suggesting a sequential test to assess locations. Similarly, a test is also applied to clarify and balance the economic, social and environmental impacts of development.

2.9 LPAs are required to work on a regional basis, recognising that market forces do not operate within local authority boundaries. Strategic planning therefore will identify the most appropriate locations for development and joint working to produce a common evidence base is encouraged.

2.10 Development plans must be informed by a robust evidence base, collated at both the regional and local level. LPAs are expected to identify a broad vision for their Plan which is consistent with housing and other aspirations of their Development Plan.

2.11 Development plan employment land targets should aim to ensure that planning meets the demand for land and does not constrain economic growth through a shortage of land. Land provision targets maybe higher than anticipated demand to account for assessments being too low, to ensure no opportunities are missed and to allow for flexibility, choice and competition. Persistent oversupply of employment land however may cause harm where employment sites remain vacant for long periods and frustrate development for other land uses.

Cardiff Capital Region Industrial and Economic Plan

2.12 Welsh Government supports Cardiff's status as an internationally competitive city and a core city on the UK stage. Cardiff, Newport and the Valleys will be the main focus for growth and investment in the South East Wales region. Cardiff is an important economic hub of CCR. The city region is committed to 'ecosystem development', which involves supporting the development of a strong economic and innovation ecosystem to deliver plans and develop

clusters of excellence within the region (Cardiff Capital Region Industrial and Economic Plan)

2.13 Cardiff Council will promote clusters of specialist sectors and research and development expertise, including the following key sectors (Adopted Cardiff LDP 2006-2026 – bold sectors are common with Cardiff Capital Region Industrial and Economic Plan):

- ICT;
- Energy and environment;
- Advanced materials and manufacturing;
- **Creative industries;**
- **Life sciences;** and
- Financial and professional services.

3. The Methodology

- 3.1 ***The Replacement LDP will aim to deliver of a minimum of 32,300 jobs over the plan period. This reflects the growth and job creation objectives within the Council's Economic Strategy 'Building More and Better Jobs', and through the Cardiff City Region Deal.***
- 3.2 The Cardiff Employment Land and Premise Study is founded on *Practice Guidance – Building an Economic Development Evidence Base to Support a Local Development Plan* (Welsh Government, 2015). The Study outlines the national and local policy context, the commercial property market, audits employment sites and provides a comprehensive assessment of future land and premises requirements. A range of key stakeholders have been consulted to inform this research.
- 3.3 The future employment land requirement for Cardiff has been assessed taking into account:
 - labour supply projections, reflecting the population projections;
 - historic take-up of employment land; and
 - employment sector projections.
- 3.4 The Study contributed further to the LDP Review evidence base by not only identifying employment land requirements for the Replacement LDP period (2021-2036), but also assessing the suitability of the existing employment land supply to meet these needs.
- 3.5 All existing sites with policy status through the adopted LDP have been reviewed to assess current status, vacancy, pipeline and opportunities for further development.
- 3.6 Existing employment sites outside the Central and Bay Business Areas are classified as EC1 and comprise 816.5ha. There are varying vacancy rates across the 23 sites, with much greater vacancy (16%) on sites which are characterised by B1 office uses than those with a more industrial B2/B8 focus (7%). There is also evidence of increasing amounts of non-employment uses within many of these employment areas.

3.7 A boundary review of current LDP designated employment sites is summarised in Table 1 below:

Table 1

Site Name	Site Description	Scope for consolidation	Summary of main boundary change
EC1.1 Ocean Park	Ocean Park is a mixed-use employment site that contains offices, small workshops, larger industrial units as well as commercial premises. The site is one of the largest employment sites in Cardiff with 484 units located on the site.	Yes	Remove leisure uses including football facilities (enclosed 3G pitches) from boundary. Remove residential development at Moorhead Close, as well as land at Splott Market. Planning application for future school removed from boundary. Ref 22/02308/FUL. Remove land North of East Tyndall Street, including Candidate site at Image House, for residential/affordable housing. This will allow for redevelopment opportunities over the plan period.
EC1.2: Cardiff Port	Cardiff Port is an industrial employment site that contains Cardiff Port, Heliport and South Point Industrial Estate. The majority of the units in the site are classed as B2 (general industrial) with significant heavy industry located within the Port.	No	Cardiff Port to have its own strategic policy and map. Retain land at Foreshore Rd.
EC1.3: Rover Way	Rover Way is an industrial employment site that contains more than 80 units, of which the majority are classed as B2 (general industrial). Celsa Steelworks is the largest business located in Rover Way, occupying 123,400sqm at the centre of the site. The remainder of the site is covered by Allied Industrial Park and Tremorfa Industrial Estate. The environmental quality of the site is generally low however this reflects both its location and use, and does not affect the suitability of the EC1 protection for this site.	No	Boundary to be extended to include planning consent 21/02182/MJR for B8 (Warehousing) – site area 16.65 ha. Note: This application has now been superseded by Application 24/00624/FUL For an Energy Park and Data Centre (Subject to Section 106 Agreement).
EC1.4: Wentloog Rd	Wentloog Road is a predominantly industrial employment area that contains Capital Business Park, Lamby Way Industrial Estate, Wentloog Corporate Park, Waterside Business Park, Laurels Business Park, Spring Meadow	No	No change.

	Trading Estate and the Rail Freight Terminal. The centre of the site contains the Aldi Regional Office and Distribution Centre which occupies 46,140 sqm.		
EC1.5: St Mellons Business Park	St Mellons Business Park was one of the first business parks to be built in Cardiff and is located in close proximity to the A48. The site contains a large number of office blocks as well as a small number of manufacturing units along Pascal Close.	No	No change.
EC1.6: Cardiff Gate Business Park	Cardiff Gate Business Park is a mixed-use office and commercial development that opened in 1994. The site is located beside the M4 and can be accessed directly from Junction 30. The site is primarily used for employment, however there is also a motorway services at the South-East of the site and a car dealership at the North of the site.	Yes	Remove the majority of plots 12 and 14, currently subject to a residential led planning application:22/00726/MJR (status: undetermined). This area has also come in as candidate site.
EC1.7: Cardiff Business Park and Land North of Maes y Coed Road, Llanishen	Cardiff Business Park & Land North of Maes y Coed Road is a mixed-use employment site. At the centre of the site smaller industrial and office units are located with larger units at the Northern and Southern boundaries of the site. The Council acquired the former tax office site at Ty Glas, Llanishen, in 2021 to allow the Council to progress options for secondary school and/ or special school provision. Works to demolish buildings on the Ty Glas site are currently being progressed. D2 uses have crept into the site with leisure uses at the North of the site and at the South-East of the site Woodland House is used by the NHS; South-East of site also contains A1/A3.	Yes	McDonalds and Buzz Trampoline Centre, Jump and Ramp world removed. Independent School on Ty Glas Avenue removed from boundary. Removal of Tax office/government buildings currently being demolished. Remove Tesco, Dominos and Celtic Warrior (D2).
EC1.8: Forest Farm	Forest Farm is an industrial estate and business park located off Junction 32 of the M4. Cardiff Edge Business and Life Sciences Park is located at the centre of the site. The remainder of the site is occupied by larger industrial units which are used for a range of industrial uses,	No	No change.

	such as commercial printing and fleet maintenance. An undeveloped area at the centre of the life sciences park that was formerly occupied by small units may provide scope for further development within the site.		
EC1.9: Green Meadow Springs	Green Meadow Springs is an office development adjacent to the M4 and can be accessed directly from Junction 32. The majority of the site is covered by two and three storey office buildings except for a plot land at the East of the site, located within the boundary, that remains undeveloped.	No	No change.
EC1.10: Penarth Rd Area	Penarth Road is a large-scale mixed use employment site with industrial, office and commercial developments. The site is located by the River Ely, Grangetown train station and Cardiff City Stadium. Penarth Road contains a large number of car dealerships alongside workshops and trade counter retail.	Yes	Adjust the boundary to remove the Leckwith Pond & Marsh SINC from the site. Strip of employment land on Sloper Rd to be removed to allow for redevelopment opportunities over the plan period.
EC1.11: Ty Nant Road	Ty Nant Road is a small office development consisting of eleven two storey office units. The units are largely occupied by professional and financial service businesses.	No	Incorporate Riverside House and adjoining employment units formerly in EC1:21 into EC1:11 as they are B1 use classes, as opposed to industrial use classes.
EC1.12: Crown Way	Crown Way in Maindy contains the offices of Companies House and car parking facilities. The site neighbours the Maindy Barracks and is located opposite the district centre, Whitchurch Road.	Remove from boundary	Future non-employment redevelopment opportunity.
EC1.13: Wentloog Road (North of Railway Line)	Wentloog Road (north of railway line) is an employment site split between Pwll-Mawr Court, Wentloog Industrial Estate, Alexandra Industrial Estate and Heron Road. The site primarily consists of small workshop units and are largely occupied by small industrial businesses.	No	No change.
EC1.14: Pentwyn (Panasonic Plant, Avenue Industrial Estate)	Pentwyn employment site is adjacent to Spire Cardiff Hospital and in close proximity to the A48. The Panasonic manufacturing plant and Pentwyn Business Centre are located south of Pentwyn Road. A combination of professional & financial services and large retail	Yes	Adjust the boundary to: Remove non-employment uses, Lidl and Waitrose (A1) Village Inn (A3)

	businesses are located north of the road. The Avenue Industrial Estate north of the road is no longer B use with the units occupied by the NHS and D use class businesses.		
EC1.15: Eastern Business Park	Eastern Business Park is a campus style office development with a multi storey car park and electricity substation. The offices have recently been refurbished and now offer modern flexible workspace.	No	No change.
EC1.16: Willowbrook Business Technology Park	The site is adjacent to the district centre of St Mellons (where Tesco is located) and is accessed from Crickhowell Road. The area comprises 23 small business units occupying low rise (one and two storey) accommodation. The units are owned by Cardiff Council and are mainly occupied by businesses in the biosciences sector. In addition, there are also administration offices and catering units.	Yes	Adjust the boundary to remove the nursing home and TPO from the site.
EC1.17: Excelsior Road	Excelsior Road is a mixed-use employment site that includes the council-owned Gabalfa Workshops, trade counter retail units, food outlets and student accommodation. The site is in close proximity to Cardiff University Sports Training Village and Talybont North and Talybont Gate, Cardiff University student halls of residence.	Yes	A student accommodation block has been given planning permission at the south of the site. Adjust the boundary to remove non-employment uses from the site.
EC1.18: Norbury Road Industrial Estate	Norbury Road Industrial Estate, otherwise known as Fairwater Industrial Estate, is an industrial estate located in close proximity to the A48 and Waun-Gron Park train station. The site is comprised of office and industrial spaces, including the Fairwater Workshops. The south of the site is largely occupied by public services, including the Fairwater Police Station at the South-East of the site.	No	No change.
EC1.19: Wroughton Place, Ely	Wroughton Place is an industrial estate occupied largely by manufacturing and automotive businesses. The site contains the council-owned Ely Brewery	No	No change.

	Workshops. The vast majority of units are B2 (general industrial) with a high number of garages as well as workshop and manufacturing units, such as Vydex. The site is located by the A48 and River Ely, and 500m South of Norbury Road Industrial Estate.		
EC1.20: Argyle Way, Caerau	Argyle Way, also referred to as the Ely Distribution Centre, is an industrial estate with 34 units that are largely occupied by automotive and light industrial businesses. The site can be accessed from the residential area of Caerau, on the Heol Trelai and is located 2km East of the local centre, Caerau Lane.	No	No change.
EC1.21: Garth Industrial Estate	Garth Industrial Estate employment site is an industrial estate and office development located beside the A470. The site is split by the River Taff and includes industrial estates East and West of the river and a development of office blocks West of the river.	No	Incorporate the Riverside office development (currently part of EC1.21) into Ty Nant Road designation (currently EC1.11) to create a B1 employment area Rename the site to Garth Industrial Estate/Heol Yr Ynys to reflect the industrial estates east of the river.
EC1.22: Land at East Bay Close	The Land at East Bay Close is a protected employment site located North of Ocean Park (EC1.1) and East of the Cardiff Central Enterprise Zone (KP2A). The site contains the Peacocks head office, Travis Perkins Cardiff South, plant & machinery hire and a seafood wholesaler.	Yes	Adjust the boundary to remove the site of the former garage and future consented residential development (planning application 22/01404/MJR & 24/00964/VAR)
EC1.23: Alexandra Gate Business Park	Alexandra Gate Business Park is an office development located that consists of three large office buildings and Riverside Leisure Club. The offices contain: Alexandra Gate Business Centre, the headquarters of work & meet co-working and CMB Engineering.	Yes	Adjust the boundary to remove the leisure centre and associated car parking.

3.8 In summary, some sites, such as Cardiff Business Park and Land North of Maes y Coed Road (EC1.7), have seen increasing amounts of non-employment uses within the boundaries of the site providing scope for consolidation. Trade counter retail, gyms and healthcare uses account for the majority of non-B use class uses within protected employment sites. Excelsior Road (EC1.17) has been significantly consolidated as over time most of the south of the site has

been redeveloped to residential and retail and food & drink uses in addition to student accommodation.

3.9 In some instances, even though the non-employment uses have been permitted, the unit is unaffected and could be used for employment uses in the future and potentially remains part of the existing stock. A few sites required consolidation to reflect environmental designations as in the case of Penarth Road Area (EC1.10) and Willowbrook Technology Park (EC1.16).

Combined Pipeline and Future Supply

3.10 A total potential supply of **374,500sqm of B1 uses** has been identified, including excess vacancy, pipeline (sites with permission) and additional development capacity or site allocations. A total of **120,300 sqm of B2/B8** industrial and warehousing supply has been identified. This is summarised in figure E1.

3.11 Pipeline figures are subject to change based on the details of future planning applications and decisions. No account is taken for on-site replacement or redevelopment within the LDP Review period.

3.12 Figure E1 provides a summary based on the collated evidence. This includes a provision for excess vacancy, based on the guidance, where it exceeds 7.5% of stock, which could make a contribution to future supply.

Figure E1 Summary of Supply (all figures in sq m of floorspace)

Category	Office/R&D (B1)	Industrial/Warehouse (B2/B8)
Excess vacancy (EC1 sites)	36,300	-
Existing pipeline (EC1 sites)	14,600	105,800
Further capacity (EC1 sites)	60,200 ⁴⁸	14,500 ⁴⁹
Cardiff Bay and Central Business Areas (pipeline)	116,600	-
Strategic sites [excluding KP2A] (pipeline)	146,800 ⁵⁰	-
Total	374,500	120,300

⁴⁸ Based on estimated capacity at the following sites: St Mellons Business Park, Cardiff Gate Business Park, Forest Farm and Green Meadow Springs

⁴⁹ Based on estimated capacity at the following sites: Ocean Park, Wentloog Road, Penarth Road Area and Cardiff Business Park and Land North of Maes y Coed Road Llanishen

⁵⁰ Potential for light industrial B1c to contribute to industrial and warehouse demand.

(Source: HJA Cardiff Employment Land Review (2022))

3.13 The EC1 pipeline is comprised of planning applications which have been granted planning permission, whilst the BBA and CBA pipeline also includes sites which have implemented permissions but have not finished construction, such as 1 John Street or Central Quay (the redevelopment of the Brains Brewery site).

3.14 The pipeline of B use class floorspace in strategic sites is comprised of the figures provided in outline planning permissions, depending on which is

available for each site. This shows a substantial supply of office and B1 supply. Whilst there is some flexibility with some supply on the strategic sites away from the CBA, the majority is office space. There is a much lower supply of B2/B8. This is limited to the EC1 sites. There is no contribution from vacant stock, given current tightness in the market.

4. Future Requirements

Economic Forecast Scenarios

- 4.1 Baseline economic forecasts were obtained from two leading providers (Experian and Oxford Economics). These indicated that future economic growth (GVA) was anticipated to be lower than historic rates. When considering employment there was a substantial discrepancy between the two forecasts with Experian indicating growth close to historic levels and Oxford Economics projecting much lower rates. There were also substantial variations between sectoral growth expectations.
- 4.2 Policy ambition within the adopted LDP is for 2,000 additional jobs per annum. Official data suggests this has been exceeded with around 2,500 jobs per annum added to the Cardiff economy. There is continued ambition to consolidate and grow Cardiff's role as a core city and economic hub, with growth at least equal to existing policy ambitions.
- 4.3 A range of growth scenarios were developed, taking into account the baseline projections, policy ambitions, historic trends and demographic evidence. In order to achieve policy aims, scenarios in the medium to high range would be required, achieving long term jobs growth of 2,000 to 2,500 per annum.

Future Employment Sites and Premises Requirements

- 4.4 The assessment draws on the two methods as set out in Welsh Government guidance, utilising evidence on historic patterns of development and the analysis of economic futures. In both instances initial results are adjusted and interpreted in the context of wider commercial market factors and qualitative evidence gathered through stakeholder consultation.
- 4.5 The guidance established two approaches to determining an LDP's employment land requirement:

Method 1:

- 4.6 This method uses the average annual completions rate for B1, B2, and B8 employment land for the previous historic period in order to project future requirements over the life of the LDP. Past completions reflect both market demand for employment land and actual development on the ground. The results can then be projected over the life of an LDP giving an estimate of annual and total land and premises requirements.
 - Step 1: sum past completions for B1, B2, and B8 use classes.
 - Step 2: calculate average net annual completions for each use class.
 - Step 3: project the average net annual completion over the study period.

- Consider the use of alternative scenarios to address higher or lower growth outcomes.

Method 2:

4.7 This method involves acquiring employment growth forecast data for relevant Standard Industrial Classification (SIC, 2007) activity sectors, assigning sectors to B use classes and then converting jobs to floorspace. Adjustment is then made to deal with the issue of losses from the existing stock.

- Step 1: Translate jobs by sector into jobs by land use (Use Class) to estimate the numbers of jobs that will be based in industrial property, warehouses and offices.
- Step 2: For each of the employment land uses, translate jobs into floorspace using employment densities (floorspace per worker).
- Step 3: Translate floorspace into land areas using development densities (plot ratios). Plot ratios can be highly variable, especially for offices, consideration should be given to the results of both floorspace capacity and to land areas.
- Further adjustments – Replacement, Choice and Flexibility.

Office and R&D (Research and Development)

4.8 Based on historic completions a gross requirement of approximately 270,000sqm is identified. An uplift of 15% is applied to allow for range and choice, leading to a total estimated requirement of approximately 310,000sqm.

4.9 Utilising the economic forecast approach a net additional requirement for 100,000 – 130,000sqm is identified. Uplift is made for the need for ongoing replacement and upgrading of supply, estimated at 1% of stock per annum, as well as a 15% uplift for range and choice. This leads a total estimated requirement of 280,000 – 320,000sqm over the 15 year LDP period.

4.10 When these estimates are considered in the context of stakeholder views, in pre-Covid market conditions there was general view that future requirements would be at or above historic levels. However, because of the changes in working patterns during the pandemic there is now a very high degree of uncertainty as to the scale and nature of change in office demand. Most risks factors would put downward pressure on the total requirement and may lead to additional supply being released from the existing stock, albeit with some uncertainty as to whether this will be suitable for re-use.

4.11 On balance, planning for approximately 300,000 sqm of floorspace development appears appropriate, whilst closely monitoring changing trends.

Industrial/Warehouse

- 4.12 Based on historic completions a gross requirement of approximately 205,000 sqm is identified. Stakeholders indicated a consistent view of historic under delivery of industrial and warehousing space in Cardiff, reflected in very low vacancy rates and increasing rents. An uplift of 25% is applied to adjust for historic constraint. A further uplift of 15% is applied to allow for range and choice, leading to a total estimated requirement of approximately 290,000 sqm.
- 4.13 Utilising the economic forecast approach a net additional requirement for 25,000 – 80,000 sqm is identified. Uplift is made for the need for ongoing replacement and upgrading of supply, estimated at a minimum of 1% of stock per annum, as well as a 15% uplift for range and choice. This leads a total estimated requirement of 270,000 – 340,000 sqm over the 15 year LDP period.
- 4.14 There is an expectation that future levels of development will exceed historic levels, because of both strong demand, and historic constraints on supply. The assessment of requirements suggests provision should be made for at least 300,000 sqm per annum across the LDP period equivalent to 75 ha in land terms, whilst acknowledging that with continued strong market sentiment and accelerated needs to replace dilapidated stock this could be comfortably exceeded.

5. Comparing Supply and Demand

- 5.1 Historic records show a proportion of office and industrial development has taken place through the direct reuse of existing employment sites. Estimates for this continued trend are added to the supply figures emerging from the sites review process.
- 5.2 Figure E2 compares the demand and supply figures in quantitative terms. This provides some quite clear conclusions.

Figure E2 Comparing Demand and Supply (Floorspace, sq m)

	Office/R&D	Industrial/Warehouse
Future Requirement	300,000	300,000
Total Supply	399,500	157,800
Net Position	+99,500	-142,200

(Source: HJA Cardiff Employment Land Review (2022))

Office and R&D (Research and Development)

- 5.3 In quantitative terms the existing supply of office and R&D floorspace across the range of contributing areas is more than sufficient to meet core requirements.
- 5.4 Given that there is a reasonable expectation that some additional space will be released to the market following the Covid-19 pandemic there is no need to consider widespread additional provision of office and R&D space within the LDP at this time.
- 5.5 The surplus of supply provides for a range of typologies and locations, including substantial provision within the Central Business Area and Cardiff Bay Area, as well as out of town/business park provision. Consultations have not raised significant concerns that there are any substantive qualitative deficits in the existing supply offer across the city.

Industrial/Warehouse

- 5.6 Identified supply falls below the lowest estimate of future requirements. Whilst there may be some flexibility in the way in which the potential further capacity of EC1 sites could be utilised (albeit with implications for office/R&D supply) this would still fall well short of the reasoned assessment of 300,000 sqm across the LDP period.
- 5.7 This indicates a substantive requirement for additional provision of land for industrial and warehouse needs across the LDP period. This is in the order of 140,000 sqm of floorspace, equivalent to an estimated **35ha** in land terms.
- 5.8 With such a significant quantitative shortfall the qualitative arguments become secondary. However, market sentiment suggests some concerns as to whether

existing pipeline supply is appropriate to current market needs in terms of location, access and typology – with requirements for units with high eaves heights.

6. The Recommended Policy Approach

(A): Continued protection of high quality and accessible offices:

- 6.1 As stated above, in quantitative terms the existing supply of office and research and development (R&D) floorspace across the range of contributing areas (current stock of vacant premises, confirmed pipeline and strategic site allocations) is more than sufficient to meet future demand over the plan period.
- 6.2 The surplus of supply provides for a range of typologies and locations, including substantial provision within the Central Business Area and Cardiff Bay Area, as well as out of town/business park provision.
- 6.3 There is also potential for reduced demand, or additional releases from the existing stock if higher levels of hybrid working are retained in the medium-long term. Furthermore, there is potential for higher levels of stock refurbishment in response to the need to reduce carbon emissions.
- 6.4 The covid pandemic has seen the commencement of a trend of a significant surplus of office floorspace availability. The current trend in the office market is seeing a flight to high quality, with demand for prime Grade A space to attract and retain workforces in the office, whilst there are low levels of demand in the tertiary office market. The demand for grade A space is focused in the heart of the City Centre, such as Central Square, Callaghan Square and Capital Quarter.
- 6.5 In addition to the current surplus, candidate sites have been submitted which could add significantly to the supply over the plan period. The most significant sites are listed below:
 - Land at Callaghan Square*, Butetown – 33,480sqm of B1(a) office floorspace proposed
 - Porth Teigr and Alexander Head – 174,746 sqm of B1 business space

(*located in the current Central Enterprise Zone, and Central Business Area)

- 6.6 The evidenced B1 office employment provision required over the Plan period should be met through the following approach:

There will be a strong presumption in favour of retaining existing high quality and accessible office accommodation (B1a uses). This will be through:

- The continued designation of the **Central Business Area (CBA)** and the **Bay Business Area (BBA)**,
- The designation of the **Central Enterprise Zone**.
- Out of Centre offices should continue to be safeguarded in **the Primary and Local Employment Designations**.
- **Land South of St Mellons Business Park, Cardiff Parkway.** The Council resolved to grant outline planning permission (application 21/00076/MJR).

The application was called in by Welsh Government and was formally approval in January 2025 by Planning and Environment Decisions Wales (PEDW). This development will provide a strategic employment site capable of attracting inward investment opportunities for high value service and knowledge-based sectors. This is an important employment site which contributes to the necessary range and choice of types of employment opportunities in the city. Its location is particularly well placed to provide accessible job opportunities to areas of known deprivation. This strategic employment commitment is of regional importance, and will include a new rail station, providing a significant contribution to the future pipeline supply (this has already been factored into the HJA figures in relation to B1 supply over the plan period).

- 6.7 Whilst retaining office within the CBA and BBA, it is important to recognise that secondary locations within these areas have had higher vacancy rates. There have been a number of applications for change of use to residential. Where appropriate a ground floor element of high-quality office space should be promoted as part of a mixed-use scheme. Planning application: 22/02604/FUL Knox Court, Fitzalan Place, Adamsdown, provides a best practice example.
- 6.8 Consideration will be given to the change of use to alternative uses (including housing) of lower quality offices which do not perform an important strategic or local role in terms of the overall range and choice of premises.
- 6.9 For example, Cathedral Road and Newport Road offices situated outside the Central Business Area which are characterised by low grade offices with a high level of vacancy should no longer be identified for protection. A change of use to residential development and/or mixed use is likely to be supported, in such areas subject to detailed design, amenity and transport considerations.
- 6.10 This policy position will also help to support future windfall provision over the Plan period.

(B): Addressing the shortfall of Industrial/warehousing land

- 6.11 Identified Industrial and Warehousing supply falls below the lowest estimate of future requirements. The industrial market has exceptionally low rates of vacancy at present, and there is strong levels of reported market demand. Stakeholders have stated that limited supply has constrained growth in this sector.
- 6.12 Analysis suggests the LDP should provide for approximately 300,000 sqm of Industrial and warehouse space. This is substantially greater than the available supply within the current pipeline and strategic site allocations. The requirement is in the order of 140,000 sqm of floorspace, equivalent to an estimated 35 hectares in land terms.
- 6.13 Given the predicted future employment land requirements, it is fundamental that the Strategy seeks to protect strategically and locally important existing business and industrial and warehousing land (B1b/c, B2 and B8 uses).

6.14 The loss of employment land can be incremental with the loss of one site setting the precedent for the loss of a series of others in a similar location, leading to a gradual erosion of an employment area. Sometimes alternative uses can also fragment a larger business area or sever links between employment uses in an area. Over time pressure for alternative uses result in a cumulative loss of employment sites to the detriment of the local economy. In addition, many existing industrial areas are located within the 'southern arc' of deprivation in areas of greatest need for jobs and it is important to retain employment in these locations due to their accessibility.

6.15 A strong employment protection policy will ensure their continued important contribution to providing accessible sources of employment in the city. However, consideration will be given to the change of use to alternative uses (including housing) of lower quality industrial premises, which do not perform an important strategic or local role in terms of the overall range and choice of premises.

6.16 Where alternative use of land is considered appropriate, priority will be given to mixed-use development comprising employment, housing and community facilities or, where that is not feasible, housing. (This policy position will also help to support future windfall provision over the Plan period). Other proposals will need to demonstrate why a mixed-use of housing and employment schemes cannot be achieved on a site.

6.17 The evidenced employment provision of 35 ha required over the Plan period should be met through the following approach:

1) A review of current supply

6.18 Since the original employment study was carried out, the supply of business and industrial warehousing land has been reviewed by the Council up to April 2024, whereby a number of additional employment sites that relate to industrial and warehousing land have come forward. These newly identified sites will make an important contribution to the supply.

6.19 The total number of new sites in the pipeline with recent planning permission equates to an additional 12.6 ha of employment land (see Appendix 1). The most significant new employment site in the pipeline is recently consented new employment land (subject to a section 106 Agreement) at Cardiff East Park and Ride, Eastern Avenue, Old St Mellons: Application 22/02673/FUL. The development will involve demolition of existing structures and redevelopment of the site to provide commercial floorspace (Use Classes B1, B2, B8, A3) and/or ancillary Class A1), associated drive-thru and car parking; the re-provision of the park and ride; a bridge across the Rhymney River; site wide landscaping and associated works. The site will provide up to 5.3 ha of employment land, which equates to 22,124 sqm for B2/B8. This area should be designated for employment land protection over the plan period.

2) Candidate Sites

6.20 Considering all suitable candidate sites submitted for B1, B2, B8 employment purposes (See Candidate Site Assessment (Background Technical Paper 10: Candidate Site Assessment) and Integrated Sustainability Appraisal (ISA) of Candidate Sites).

6.21 Land At Rover Way, Pengam Moor has been submitted as a Candidate Site for employment uses, including Business (use class B1), General Industrial (use class B2) & Storage & Distribution (use class B8) floorspace. The site was submitted with a developable area of 21 hectares. Part of this site (6.8 hectares) is allocated in the Replacement LDP for a new Gypsy and Traveller site to accommodate the need for new pitches within the city (Policy H11). However, the remainder of the site (14.2 hectares) could become available for employment purposes as part of a wider mixed use regeneration scheme for this area of the city.

6.22 Any future employment land in this location will require further detailed consideration, taking into account competing land uses and the wider regeneration scheme.

6.23 Wentloog Corporate Park – This site lies within the Wentloog and Peterstone Gwent Levels SSSI which is a national statutory designated site of nature conservation importance. Welsh Government guidance states that development within these areas is as a matter of principle, unacceptable and given this the site has not been taken forward as an allocation in the Plan. Please see Background Technical Paper 10: Candidate Site Assessment and ISA Report for details.

3) An increase in light industrial B1(c) provision

6.24 A potential increase can be delivered through the employment areas allocated in the strategic housing sites which are currently being developed across the city.

4) Designate Ipswich Road

6.25 Reinstate Ipswich Road, Penylan as a Locally Protected Employment site to safeguard this land for industrial and light industrial purposes and include in the supply over the plan period (up to 10 ha). The area has developed an employment led mixed use function and incorporates a range of uses including retail, business and industrial. The retail uses are mainly located adjacent to Colchester Avenue. The remainder of the site is predominantly employment orientated with a number of office buildings, together with industrial and business uses. Uses include MOT Test centres, car body repair workshops and builder's yards. There are also a number of car sales showrooms. With relatively low vacancy rates, this site represents an important employment site and should be retained as such.

5) Redevelopment and Refurbishment rate increased

6.26 It will be important to deliver a higher level of redevelopment and extensive refurbishment of stock within existing employment areas across the city. This will maximise their contribution to providing jobs from existing sites and promote the more efficient use of employment land. The strategy seeks to encourage the intensification and refurbishment of existing employment land and premises which are under used, vacant or in decline. The Strategy supports the regeneration of land and property for employment purposes including land at Forest Farm, Longwood Drive, Coryton for a Life Science Park. This scheme is supported by the Cardiff Capital Region (CCR).

6) Flexibility

6.27 Explore the potential for adjusting the development focus of already identified employment sites. Adopt a flexible policy approach to support employment proposals on land not identified for employment use, to support additional employment windfall sites coming forward over the plan period.

7) A Regional Approach

6.28 Consider scope for any unmet employment need for industrial and warehousing land to be accommodated within the wider city region. There will be a need to take account of geographies beyond local authority boundaries. Welsh Government guidance states that demand for employment land does not have to be met within the local planning authority area in which it arises. Much of the demand for employment land is footloose across administrative boundaries. Authorities should work together to steer development to the locations which are the most sustainable and efficient (both when allocating sites and when dealing with proposals for development). Demand which cannot be met sustainably in the area where it arises should be met in neighbouring areas, and planning authorities should work together to accommodate demand which is not tied to particular areas (PPW, TAN 23).

7. Conclusion

- 7.1 In quantitative terms the existing supply of office and research and development (R&D) floorspace across the range of contributing areas (current stock of vacant premises, confirmed pipeline and strategic site allocations) is more than sufficient to meet core requirements, over the plan period.
- 7.2 The surplus of supply provides for a range of typologies and locations, including substantial provision within the Central Business Area and Cardiff Bay Area, as well as out of town/business park provision.
- 7.3 There is also potential for reduced demand, or additional releases from the existing stock if higher levels of hybrid working are retained in the medium-long term. Furthermore, there is potential for higher levels of stock refurbishment in response to the need to reduce carbon emissions.
- 7.4 Identified Industrial and Warehousing supply falls below the lowest estimate of future requirements. The industrial market has exceptionally low rates of vacancy at present, and there is strong levels of reported market demand. Stakeholders have stated that limited supply has constrained growth in this sector.
- 7.5 Analysis suggests the LDP should provide for approximately 300,000 sqm of industrial and warehouse space. This is substantially greater than the available supply within the current pipeline and strategic site allocations. The requirement is in the order of 140,000 sqm of floorspace, equivalent to an estimated 35 hectares in land terms.
- 7.6 Following on from the Employment Land and Premises Study (ELPS) an update to supply figures carried out by the Council has now substantially reduced this shortfall. The total number of new sites in the pipeline with recent planning permission equates to an additional 12.6 ha of employment land. The most significant being employment land proposed at Cardiff East Park and Ride, Eastern Avenue. The proposed designation of Ipswich Road also seeks to protect a further 10 ha of employment land which was not factored into the original supply figures by HJA.
- 7.7 The remaining shortfall will need to be addressed over the plan period through continued refurbishment, and intensification of existing employment land, particularly in relation to light industrial units. Flexibility in policy will also need to be facilitated to allow for new employment opportunities. Finally, a regional approach where appropriate should also be supported, in accordance with national guidance.
- 7.8 Given the predicted future employment land requirements, it is fundamental that the Replacement Local Development Plan Policies seek to protect strategically and locally important existing business and industrial and warehousing land (B1b/c, B2 and B8 uses).

- 7.9 There will also be a strong presumption in favour of retaining existing high quality and accessible office accommodation (B1a uses) and promoting mixed-use high quality office development where appropriate.
- 7.10 The loss of employment land can be incremental with the loss of one site setting the precedent for the loss of a series of others in a similar location, leading to a gradual erosion of an employment area. Sometimes alternative uses can also fragment a larger business area or sever links between employment uses in an area. Over time pressure for alternative uses result in a cumulative loss of employment sites to the detriment of the local economy. In addition, many existing industrial areas are located within the 'southern arc' of deprivation in areas of greatest need for jobs and it is important to retain employment in these locations due to their accessibility.
- 7.11 A strong employment protection policy will ensure their continued important contribution to providing accessible sources of employment in the city. However, consideration will be given to the change of use to alternative uses (including housing) of lower quality office and industrial premises, which do not perform an important strategic or local role in terms of the overall range and choice of premises.
- 7.12 Where alternative use of land is considered appropriate, priority will be given to mixed-use development comprising employment, housing and community facilities or, where that is not feasible, housing. (This policy position will also help to support future windfall provision over the Plan period). Other proposals will need to demonstrate why a mixed-use of housing and employment schemes cannot be achieved on a site.

Appendix 1: Recent Planning Consents in the Pipeline

Application Ref	Proposal	Location	Site Area	Status
22/02673/FUL	Demolition of existing structures and redevelopment of the site to provide commercial floorspace (Use Classes B1, B2, B8, A3) and/or ancillary Class A1), associated drive-thru and car parking; the re-provision of the park and ride; a bridge across the Rhymney River; site wide landscaping and associated works.	Cardiff East Park and Ride, Eastern Avenue, Old St Mellons	5.3 ha 22,124 sqm (B1/B2)	Granted subject to Section 106 (11/01/2024)
22/00319/MJR	Demolition of existing buildings and redevelopment to provide 2 No. Industrial/commercial buildings and associated works.	Units 2 and 3 Viaduct Road, Gwaelod-y-Garth	0.19 ha 1250 sqm	Granted 04/01/2023
22/00709/MJR	Proposed construction of 5 No Blocks of commercial units (B1 Use Class), including access, vehicular parking, cycle and refuse stores, soft landscaping and associated works.	Former Western Mail and Echo, Pacific Business Park, Pacific Road, Splott	0.85 ha, 3055 sqm	Granted 03/02/2023
22/01647/MJR	Full Planning Application for the proposed expansion of the Great Point Studio Site, Wentloog Avenue, including the erection of 3 No, Studio Buildings, vehicular, pedestrian and cycle parking, hard and soft landscaping, sustainable urban drainage features and associated infrastructure.	Great Point Seren Studios, Wentloog Avenue, Wentloog	2.54 ha, 5703 sqm	Granted 10/11/2022
22/03006/FUL	The proposed expansion of the Great Point Studio site,	Great Point Seren Studios,	2.26 ha, 1770 sqm	Granted 23/02/2023

	Wentloog Avenue, including the erection of 1no. studio building at the north of the site, vehicular, pedestrian and cycle access, vehicular and cycle parking, hard and soft landscaping, Sustainable Urban Drainage features and associated infrastructure	Wentloog Avenue, Wentloog		
23/00065/FUL	New build speculative industrial unit to accommodate B1/B2/B8 uses, separately or in combination, with associated yard, parking, access, lighting, drainage and hard and soft landscaping	Land Off Longwood Drive	1 ha, 3720 sqm	Granted 23/06/2023
23/01908/FUL	Two storey side extension to provide additional studio and office facilities	Unit 31 Portmanmoor Road Industrial Estate Portmanmoor Road Splott	0.48 ha 1115 sqm	Granted 05/01/2024