

Thame Neighbourhood Plan

Employment Allocations Evidence

Thame Town Council

18 November 2022

Quality information

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1. Executive Summary

Study Context

- 1.1 AECOM was commissioned by Thame Town Council to develop a high-level evidence base to potentially support with bringing forward employment land allocations within the update of the Thame Neighbourhood Plan.
- 1.2 Currently, the Thame Neighbourhood Plan is obligated to provide at least 3.5ha of employment land, in line with the South Oxfordshire Local Plan that was adopted in December 2020. This represents a 1.9ha increase upon the 1.6ha figure initially put forward in the draft Local Plan, in order to account for recent losses in employment space within Thame. However, the Neighbourhood Planning Group within the Town Council is of the view that land allocations for the local area will be insufficient to meet demand based on an understanding of recent change in occupancy and structural changes in the economy, developed through informal engagement with local firms and agencies.

Policy and Strategic Context

- 1.3 The prevailing policy environment reflects support for allocating further employment land in Thame. At the sub-regional level, Oxfordshire's LEP's policies set out a vision for delivering clean and sustainable transformative growth through encouraging economic development and growth along Oxfordshire's knowledge spine and market towns (including Thame), with constraints in the availability of commercial floorspace highlighted. The Local Authority also emphasises the need to improve employment opportunities and increase employment land provision to help provide high-quality jobs and retain more skilled residents in the workforce.
- 1.4 Furthermore, consultation undertaken in relation to the update of the Thame Neighbourhood Plan provides evidence of strong demand for employment space in Thame covering B1, B2 and B8 uses. Consultation has gathered feedback on two potential employment sites going forward (Rycote Lane and Howland Road) with developers and agents having evidenced the potential for strong take-up based on current enquiries.

Socioeconomic and Property Market Context

- 1.5 The baseline analysis highlights that there has been higher population growth within Thame between 2011 and 2020 than in South Oxfordshire, the South East and England. The population of Thame is well-educated, with a higher percentage of the population holding some form of qualification or a degree-level qualification compared to the South East and England. The professional, scientific and technical sector and manufacturing sector provide a substantial proportion of employment opportunities within Thame. Both sectors employ a considerably higher proportion of the population than in the South East and England.
- 1.6 Property market analysis demonstrates that there is approximately 1.3 million square feet (sqft) of employment generating floorspace in Thame, of which approximately 30,000 sqft is vacant. Vacancy rates for office, industrial, and light industrial properties are lower than the regional rate, with vacancy rates having followed a broadly decreasing trend in the past 10 years to sit at an overall 2.3% at the time of writing, indicating limited spare capacity in the market.
- 1.7 Market rental values of office, industrial, and light industrial properties have exhibited an increasing trend over this same period. Industrial market rents have increased by 43.8% over the past decade, with light industrial values increasing by 37% over the same period. Feedback from agents suggests that rising industrial rents have been driven by the lack of supply, as well as the logistics boom in recent years, while office rates have seen more limited growth owing to a lack of demand.
- 1.8 Primary evidence supplied by Thame Town Council regarding the gain and loss of employment generating floorspace from April 2011 to March 2022 indicates that there has been a loss of

10,704 square metres (sqm) office, 4,642 sqm warehousing and 1,160 sqm industrial floorspace. Though there is 15,973 sqm B2/B8 floorspace under construction, a potential loss of 4,280 sqm office space via granted prior approval of permitted development right means this represents a net loss of 4,812 sqm floorspace over this period. Conversely 7,152 sqm of Sui Generis space has been completed, with a further 5,900 sqm planned, though this offers limited employment generating potential.

Stakeholder Consultation

- 1.9 The consultation exercise reflected strong demand for industrial and warehousing space in Thame, across a range of sizes (2,000 – 20,000 sqft), with robust demand expected to continue despite economic uncertainty. This is highlighted in the experience of the Christmas Hill Business Park, a 10.6 acre site which has registered strong demand from different occupier types, with the agent having received enquiries totalling between 400,000 and 900,000 sqft as of 1st August 2022, well in excess of the floorspace available. However, many businesses noted that the availability of suitable sites was low or existing accommodation unsuited to their needs. Conversely, there was a more muted demand picture in relation to office floorspace, particularly at larger scales.
- 1.10 Consultees raised concerns regarding the quality and efficiency of existing stock in Thame, with upcoming changes to Energy Performance Certificate (EPC) requirements having the potential to drive demand for more modern, efficient accommodation. However, there exists a level of concern, from a number of stakeholders, that older employment stock is being replaced by residential development and not being replaced in sufficient scale. Many pointed to the recent loss of the truck manufacturer DAF and subsequent loss to residential use through permitted development rights¹ as evidence of this.

Estimating Future Needs

- 1.11 In order to estimate future needs, the analysis considered how the minimum allocation of 3.5ha would translate into employment. An assumed split of 80% B8 and 20% B2, based on the evidence gathered through the review of commercial property data, consultation exercise undertaken and enquiries at existing consented sites, suggested that, indicatively, the 3.5ha allocation would be likely to support around 217 workers. This represents 2.5% of current employment (8,780 employees) in Thame², or 62 jobs per hectare of employment land delivered.
- 1.12 While noting the evidence in support of the allocation of additional employment land – as previously set out in this section – the analysis also considered constraints on further additional allocation in terms of the potential for new floorspace to displace existing activity in Thame; difficulties in qualifying the veracity of enquiries, which may act to overstate potential demand for new sites; the uncertain economic outlook; and the potential limitations for some businesses to secure new accommodation given the higher rental cost this would involve.
- 1.13 When considered overall, the evidence presented in this study points to demand and supply constraints (in terms of availability and quality) which suggest that the current minimum allocation of 3.5ha is insufficient to meet future needs in Thame. Given this, it is viewed that an allocation of 5.5ha, reflecting an additional 2ha of employment land, would be prudent to allow Thame to maintain its character and the balance between residential and commercial development in the town.
- 1.14 5.5ha could support the employment of around 341 employees, an increase of 124 on the current minimum allocation of 3.5ha. In all, 341 employees would represent 3.9% of current employment in Thame indicating that such an allocation could make a notable contribution to supporting employment retention, whilst limiting the potential for over-provision of space in the context of Thame's existing socio-economic conditions and commercial property market.

¹ Note, while permitted development rights were only established on a small part of the site, this rendered the whole site unappealing to the market

² ONS BRES 2021

2. Introduction

- 2.1 Thame Town Council commissioned AECOM to develop a high-level evidence base to potentially support with bringing forward employment land allocations within the update of the Thame Neighbourhood Plan.
- 2.2 Employment land is defined as land with business activities falling under the E(g), B2, and B8 use classes. These include:
- E(g) i) office ii) the research and development of products or processes or iii) any industrial process, (which can be carried out in any residential area without causing detriment to the amenity of the area)
 - B2 – general industrial³; and
 - B8 – storage and distribution.
- 2.3 The Neighbourhood Planning Group within the Town Council is of the view that land allocations for the local area will be insufficient to meet needs based on an understanding of recent change in occupancy and structural changes in the economy. This has been developed through informal engagement with local firms and agencies.
- 2.4 The purpose of this report is to evidence whether this is the case, the broad scale of the requirement if so and the uses and sectors concerned so to robustly inform policy within the Neighbourhood Plan.

Neighbourhood Planning Context

- 2.5 This study informs elements of the emerging Thame Neighbourhood Plan and sets out how this should address employment land (in terms of type, location and size) and provide recommendations on how this could be delivered.
- 2.6 It is important that this assessment is viewed as being one element of the emerging Neighbourhood Plan and, as such, should be considered alongside other assessments and evidence. The recommendations set out in this study relate solely to employment land, but are made on the basis that these should be considered alongside other priorities including housing, transport, landscape and the historic character of the town, sustainability, recreation and leisure. It will be the role of Thame Town Council and partners to ensure that these factors are considered in how they interact with each other and avoid contradiction.

Approach

- 2.7 This study is structured as follows:
- **Section 2** sets out the Policy and Strategic Context
 - **Section 3** presents the socioeconomic characteristics of the town, compared against the local authority area and wider geographies
 - **Section 4** outlines a review of activity in the commercial property market
 - **Section 5** summarises the engagement with businesses undertaken in support of this study
 - **Section 6** provides the conclusions to the study.

³ Industrial process other than one falling within the uses described in Class E, sub-paragraph (g)

3. Policy and Strategic Context

3.1 The following section provides an overview of the relevant policy and strategic context to employment and employment land in Thame at the sub-regional (Oxfordshire), local authority (South Oxfordshire) and neighbourhood (Thame) level.

Sub-Regional Strategy: Oxfordshire

Oxfordshire Local Enterprise Partnership Strategic Economic Plan

3.2 Thame lies within the Oxfordshire Local Enterprise Partnership (OxLEP) area, and as such contributes to the 2016 Strategic Economic Plan (SEP)⁴ which sets out the vision, objectives and policies relating to economic growth and promotion of the local economy within Oxfordshire.

3.3 The SEP vision is of Oxfordshire as a vibrant, sustainable, inclusive, world-leading economy, driven by innovation, enterprise and research excellence. These outcomes are to be achieved through four wide-ranging programmes and a number of key action areas:

- People – delivering and attracting specialist and flexible skills at all levels, across all sectors, as required by businesses, filling skills gaps and seeking to ensure full, inclusive, employment and fulfilling jobs;
- Place – ensuring a strong link between jobs and housing growth, providing a quality environment that supports and sustains growth; and offering the choice of business premises and homes needed to support sustainable growth;
- Enterprise – emphasising innovation-led growth, underpinned by Oxfordshire’s strengths in research, business collaboration and supply chain potential; recognising and reinforcing the significant contribution made by all sectors, in all parts of Oxfordshire and all types of business; and
- Connectivity – enabling people, goods and services to move more freely, connect more easily; improving broadband; and providing the services, environment and facilities needed by a dynamic, growing and dispersed economy.

3.4 The principal spatial focus of the SEP is on Oxfordshire’s Knowledge Spine, which stretches from Bicester in north, through Oxford to Science Vale in the south. However, this spatial focus is not exclusive, and OxLEP actively encourages and supports projects that contribute to the objectives of the SEP in market towns (including Thame) and more rural locations.

3.5 The 2016 SEP highlights the targets initially laid out in OxLEP’s 2014 Strategy for Growth (2014-2031)⁵, including the ambition to create 85,600 new jobs (a 1% increase per annum) and generate a £6.6bn increase in Gross Value Added over this period, stimulating demand for employment land both within the Knowledge Spine area and also wider South Oxfordshire.

3.6 Oxfordshire hosts a range of business sectors and scientific discipline and has globally significant strengths in five key sectors: automotive and motorsport; creative and digital; electronics and sensors and life sciences and space technologies. The SEP also highlights the need for support for other important employment sectors, including retail, logistics and distribution, health and social care, in the region, in part through the provision of an appropriate range of premises in the right locations through the planning system.

Oxfordshire Local Industrial Strategy (2019)

⁴ OxLEP. (2016). Creating the Environment for Growth: Strategic Economic Plan for Oxfordshire. Available at: Oxfordshire SEP.pdf (oxfordshirelep.com) [Accessed July 2022].

⁵ OxLEP. (2014). Driving Economic Growth Through Innovation: Strategic Economic Plan for Oxfordshire. Available at: [PR06 Oxfordshire LEP Strategic Economic Plan FINAL March 2014 Part 1 of 2.pdf](#) [Accessed July 2022].

- 3.7 In 2019 OxLEP published its Local Industrial Strategy (LIS)⁶, which outlines Oxfordshire's plan to deliver transformative growth which is both clean and sustainable and delivers prosperity for all communities across the county. Breakthrough sectors highlighted as key growth opportunities for the area include: life sciences; quantum computing; space-led data applications; robotics and autonomous systems; motorsports and digital and creative.
- 3.8 However, the LIS also highlights the challenges associated with business floorspace, noting: *"Oxfordshire will also support business growth through addressing the lack of business and innovation space."* The particular challenges identified include flexible laboratory and innovation space as well as Grade A office space.

Oxfordshire Economic Baseline Assessment

- 3.9 Oxfordshire's Economic Baseline Assessment was completed in 2022 as part of the Oxfordshire Economic Recovery Plan to evaluate the implications of the Covid-19 pandemic on demand for employment space.
- 3.10 The Assessment showed that the two highest performing industries in South Oxfordshire – manufacturing and professional, scientific and technical activities – were all forecast to see strong continued employment growth up to 2029, with no indication that demand for employment space would reduce long-term. Rather, it suggested that local policy-makers should ensure flexible allocations of employment land to accommodate a variety of business sectors and business sizes, due to a complex dynamic of new and alternative business sectors emerging as a result of the effects of the pandemic.

Local Authority: South Oxfordshire

South Oxfordshire Local Plan 2011-2034

- 3.11 South Oxfordshire's Local Plan (adopted in December 2020)⁷ establishes how development will be planned and delivered across South Oxfordshire over the period from 2011 to 2034. It sets out the strategy and policies for delivering growth and identifies appropriate areas and sites for development. These policies are then used to shape decisions on planning applications in the district.
- 3.12 The Local Plan highlights 8 key strategic objectives relating to settlements, housing, economy, infrastructure, design, community, the natural and built environment and climate change. Objectives relevant to Thame and employment land within Thame include:
- Objective 1.1. Support the settlement hierarchy, the growth and development of Didcot Garden Town, the delivery of new development in the district, the growth of market towns (including Thame) and the vitality of villages;
 - Objective 3.1. Improve employment opportunities and employment land provision, which will provide high-quality local jobs to help retain more skilled residents in the workforce;
 - Objective 3.4. Support the retail and service sectors as well as low and high-tech industries; and
 - Objective 3.5. Create conditions whereby world-renowned and cutting-edge industries choose to locate and grow their businesses in South Oxfordshire, contributing to a strong and successful economy, in line with the SEP for Oxfordshire.
- 3.13 Chapter 5 of the Local Plan focuses on Employment and the Economy within South Oxfordshire. Economic forecasts prepared for the 2014 South Oxfordshire Strategic Housing Market Assessment (SHMA)⁸, subsequently updated for the South Oxfordshire Employment Land

⁶ OxLEP. (July 2019). Oxfordshire Local Industrial Strategy. Available at: [Oxfordshire Local Industrial Strategy_0.pdf \(oxfordshirelep.com\)](https://oxfordshirelep.com) [Accessed July 2022].

⁷ South Oxfordshire District Council. (2019). South Oxfordshire Local Plan 2011-2034. Available at: [dynamic_serve.jsp \(southoxon.gov.uk\)](https://southoxon.gov.uk) [Accessed July 2022]

⁸ South Oxfordshire District Council. (April 2014). Oxfordshire Strategic Housing Market Assessment. Available at: [General Report Template \(southoxon.gov.uk\)](https://southoxon.gov.uk) [Accessed July 2022].

Review Addendum (SOELRA) (August 2017)⁹, project an increase of 12,403 jobs in South Oxfordshire between 2011 and 2033, including an increase of between 6,227 and 6,734 jobs in the office, manufacturing and distribution sectors. This translates to a minimum net employment requirement of 39.1 hectares (ha) of employment land across the district from 2011 to 2035. Further detail on the SOELRA can be found below.

- 3.14 Policies EMP1 and EMP6 highlight that Thame must allocate at least 3.5 ha of employment land, as allocated in the Thame Neighbourhood Development Plan.
- 3.15 Other policies in South Oxfordshire's Local Plan of relevance to Thame and employment land include:
- Policy TH1: The Strategy for Thame – This includes statements that the Council will support development proposals that provide new employment opportunities and improve the stock of existing employment areas;
 - Policy EMP2: Range, Size and Mix of Employment Premises – Proposals for employment use will provide a range of sizes and types of premises, including flexible business space to meet current and future requirements; and
 - Policy EMP3: Retention of Employment Land – Employment land will be retained to promote balanced, sustainable economy and local services, unless it is evidenced that the employment use is no longer viable, it is evidenced that there is no market interest in the site (following one year of active and effective marketing) and the change of use will not lower the employment capacity of the district below capacity necessary.

South Oxfordshire Employment Land Review Addendum Final Report

- 3.16 The Employment Land Review Addendum¹⁰ was completed in August 2017 to provide the Council with a long-term assessment of the need for business space and employment land in the district, covering the Local Plan period from 2011 to 2033. While the study is necessarily a point-in-time assessment, not including the impacts of the UK's exit from the EU or the Covid-19 pandemic, it still offers a useful metric through which to evaluate employment land supply and demand in the area by virtue of it being the most recent study into these issues.
- 3.17 Net Class B floorspace requirements over the Local Plan period (2011-2033) were established under both a labour demand and labour supply scenario. Labour demand scenarios used projected job growth to calculate net employment floorspace requirements and are based on a business as usual (assuming historic growth continues), alternative population forecasts (accounting for projected uplift in population growth) and planned economic growth (building on alternative population-based scenario and considering additional factors which may stimulate a higher level of growth). The labour supply scenario is based on estimates of the number of new jobs needed to match the future supply of working-age population, and how much employment space would be needed to accommodate these. A 10% 'buffer' was added to net floorspace calculations to account for planning permission and vacancy rates.
- 3.18 As can be seen in Table 3-1 below, overall net floorspace requirements estimated under different scenarios range from 96,760 sqm (under a baseline labour demand scenario) to 173,085 sqm (under the labour supply scenario) from 2011 to 2033. In most cases, the majority of this spatial requirement relates to office (B1a/B1b)¹¹ and distribution space (B8).

⁹ South Oxfordshire District Council. (August 2017). South Oxfordshire Employment Land Review Addendum Final Report. Available at: [dynamic_serve.jsp\(southoxon.gov.uk\)](dynamic_serve.jsp(southoxon.gov.uk)) [Accessed July 2022].

¹⁰ South Oxfordshire District Council. (August 2017). South Oxfordshire Employment Land Review Addendum Final Report. Available at: [dynamic_serve.jsp\(southoxon.gov.uk\)](dynamic_serve.jsp(southoxon.gov.uk)) [Accessed July 2022].

¹¹ Note, since superseded by E(g)

Table 3-1 Overall Net Floorspace Requirements

Scenario		Floorspace Requirement (sqm)			
		Office (B1a/B1b)	Manufacturing (B1c/B2)	Distribution (B8)	Total
Labour Demand	Baseline	46,248	2,237	48,275	96,760
	Alternative Population	49,031	7,427	57,372	113,830
	Planned Economic Growth	66,165	22,787	71,333	160,285
Labour Supply		71,038	28,843	73,204	173,085

Source: South Oxfordshire Employment Land Review Addendum¹²⁾

3.19 These floorspace requirements translate to an overall planning requirement of between 19.0ha and 35.9ha, as shown in Table 3-2. The land requirement totals include a 10% 'buffer' which has been added to net floorspace calculations to account for vacancy rates and the time required for the planning permission process.

Table 3-2: Employment Land Requirements

Scenario		Land Requirement (ha)			
		Office (B1a/B1b)	Manufacturing (B1c/B2)	Distribution (B8)	Total
Labour Demand	Baseline	5.1	0.6	13.3	19.0
	Alternative Population	5.4	2.0	15.8	23.2
	Planned Economic Growth	7.3	6.3	19.6	33.2
Labour Supply		7.8	7.9	20.1	35.9

Source: South Oxfordshire Employment Land Review Addendum¹³⁾

3.20 In light of National Planning Policy Framework (NPPF)¹⁴⁾ requirements to plan positively for growth, it is recommended that the Council consider planning to accommodate at least the baseline labour demand-based requirement (i.e. 19.0ha) over the plan period to 2033.

Neighbourhood: Thame

Thame Town Council Neighbourhood Plan (March 2013)

3.21 The Thame Neighbourhood Plan¹⁵⁾ set out planning policies to provide a vision for the future of the town, in which the town must:

¹²⁾ South Oxfordshire District Council. (August 2017). South Oxfordshire Employment Land Review Addendum Final Report. Available at: [dynamic_serve.jsp\(southoxon.gov.uk\)](https://dynamic_serve.jsp(southoxon.gov.uk)) [Accessed July 2022]

¹³⁾ South Oxfordshire District Council. (August 2017). South Oxfordshire Employment Land Review Addendum Final Report. Available at: [dynamic_serve.jsp\(southoxon.gov.uk\)](https://dynamic_serve.jsp(southoxon.gov.uk)) [Accessed July 2022].

¹⁴⁾ Ministry of Housing, Communities and Local Government (MHCLG) (2019) National Planning Policy Framework (NPPF). Available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/779764/NPPF_Feb_2019_web.pdf. [Accessed July 2022].

¹⁵⁾ Thame Town Council. (March 2013). Thame Neighbourhood Plan. Available at: [5343-Thame-Plan-post-Exam-prn-110313-lor-res.pdf\(thametowncouncil.gov.uk\)](https://5343-Thame-Plan-post-Exam-prn-110313-lor-res.pdf(thametowncouncil.gov.uk)) [Accessed July 2022].

- Continue to feel 'compact' (walkability being an important factor);
- Continue to have a close relationship with the open countryside around it;
- Retain its markets;
- Continue to act as a centre for the surrounding area, not just residents; and
- Remain attractive to residents and visitors.

3.22 The Neighbourhood Plan provided an overview of the current situation in Thame in terms of working and shopping. It highlights the strong independent retail offer and weekly market within Thame, with South Oxfordshire District Council's retail needs assessment identifying a need for an additional 5,700 sqm of 'comparison' retail¹⁶ in Thame to 2027, and a smaller need of 600 sqm for 'convenience' retail (shops selling food) to 2027.

3.23 In terms of employment land, the Neighbourhood Plan highlights that Thame has the second strongest industrial market in South Oxfordshire (second only to Didcot) for warehouse and distribution activity (class B8), and is home to the most general industrial employment floorspace (class B2) of all locations in South Oxfordshire. However, with regard to office accommodation, much of Thame's existing office space is based in converted buildings in the town centre, with many businesses arguing that there is a shortage of good quality offices. This is reflected by South Oxfordshire District Council's studies which evidence a need for modern office accommodation in the area.

3.24 The 2013 Thame Neighbourhood Plan established a need for a minimum of two hectares of new employment land. The spatial vision provided three hectares of new employment land to the east of Thame, where it is well located in relation to existing employment uses and encourages employment as part of mixed-use developments in other areas such as the Cattle Market site. An additional hectare was added to the 2ha required by South Oxfordshire District Council to make up for the loss of employment land at the former Memec site, which the Plan allocated as residential land.

Thame Neighbourhood Plan Consultation 2 (February 2022)

3.25 Since the first Neighbourhood Plan was published in 2013, Thame has seen significant changes, which necessitates the creation of an updated Plan. To inform the new iteration of the Plan, the Council has run two consultations with over 500 local individuals, businesses and organisations.

3.26 The Thame Neighbourhood Plan Consultation¹⁷ reviewed the employment land requirements in Thame over the Neighbourhood Plan (2011-2033) period to inform strategy and the direction of employment-related policies in Thame. The second consultation occurred between the 20th December 2021 and the 7th February 2022 to provide feedback on two options for future employment land developments and four options for future housing land.

3.27 Currently, the Thame Neighbourhood Plan is obligated to provide 3.5ha of employment land, in line with the South Oxfordshire Local Plan that was adopted in December 2020. This represents a 1.9ha increase upon the 1.6ha figure initially put forward in the draft Local Plan, in order to account for recent losses in employment space within Thame.

3.28 Local level monitoring of industrial, storage and distribution space in Thame between 2012 and 2021 shows that since 2012, Thame had a total net loss of 9,049 sqm through the loss of the following:

- Goodson Industrial Mews – 985 sqm of B2 floorspace;
- DAF – 5,600 sqm of B2/B8 floorspace; and

¹⁶ Shops selling items such as clothes, books, electrical goods, and cafes and restaurants

¹⁷ Thame Town Council. (March 2022). Thame Neighbourhood Plan Consultation 2. Available at: [TNP2 second consultation summary_revA \(thametowncouncil.gov.uk\)](https://www.thametowncouncil.gov.uk/wp-content/uploads/2022/07/TNP2-second-consultation-summary_revA.pdf) [Accessed July 2022].

- Jane Moreby Road – 2,464 sqm of B8 floorspace
- 3.29 Feedback from Stoford Ltd , a commercial property developer that controls 15.03ha of land to the east of Thame, highlighted that they delivered two units in 2015 for local companies Windles and Groves, with a site area (4.6ha, net development) that exceeded the allocation in the Neighbourhood Plan 2013 (3ha), with no further allocated employment land remaining available in the Plan period beyond then. Stoford Ltd contend that in light of anticipated demand – evidenced through 9 enquiries with specific floorspace requirements in Thame¹⁸ between 2014 and 2021, equating to a total employment floorspace requirement of 98,600 sqm with 5 of the 9 subsequently finding floorspace in other areas – and the employment land lost over recent years to residential uses, the quantum of employment land within the updated Neighbourhood Plan should be at least 10ha – well above the current minimum allocation of 3.5ha. The Town Council verbally supported this position at the South Oxfordshire District Council Examination in 2020.
- 3.30 With regard to the existing employment space in Thame compared to the current supply, it is considered that there is a shortage of smaller employment units due to high levels of retainment. The Neighbourhood Consultation shows that small units are often leased after a very short time on the market. The most recent data on employment land shows that in January 2018, 98% of commercial premises were already occupied. Furthermore, there is significant unmet demand for larger employment spaces along Junction 6 and 7 of the M40 corridor, a strategic location within Thame.
- 3.31 The consultation gathered feedback on two potential employment sites in Thame:
- Rycote Lane – 4.4 hectares
 - Howland Road – 15.5 hectares
- 3.32 Of the 894 respondents to the consultation survey, 530 (64.4%) expressed a preference for development at Rycote Lane compared to 321 (35.5%) for Howland Road.
- 3.33 Comments on the Rycote Lane development highlighted the good access to strategic road network its location as adjacent to other employment uses, but not in close proximity to housing. However, it was also highlighted that it sits within the open countryside gap at the western gateway to Thame, with limited access by foot or bicycle.
- 3.34 During the Consultation period, the agent stated that they had seen exceptionally strong demand when marketing the Christmas Hill Business Park. The 10.6 acre site on Rycote Lane, which is considered part of Thame’s employment land supply¹⁹, is currently under construction, with Planning Consent granted for the erection of up to 180,000 sqft (16,722 sqm) of B2/B8 with ancillary class E space. As such, it was their view that Rycote Lane would be equally, if not more attractive, to businesses and they would expect there to be no issues in take-up of employment floorspace on this site. This was reinforced by Stoford Properties Ltd, a developer, who highlighted that the Proposed Rycote Lane development is only marginally large enough to satisfy the 3.5ha of employment land required by the South Oxfordshire Local Plan.

Summary

- 3.35 The review of the prevailing policy environment has reflected policy support for allocating further employment land in Thame.
- 3.36 At the sub-regional level, Oxfordshire’s LEP’s policies set out a vision for delivering clean and sustainable transformative growth through encouraging economic development and growth along Oxfordshire’s knowledge spine and market towns (including Thame). Existing key sectors that are highlighted as priorities for growth include: automotive and motorsport; creative and digital; electronics and sensors; life sciences and space technologies and constraints in the availability of commercial floorspace is highlighted.

¹⁸ 7 further enquiries received in 2020 and 2021 not specific to Thame totalling 22,332 sqm are also detailed

¹⁹ While sitting outside of the Thame Neighbourhood Plan boundary, the Christmas Hill Business Park site forms part of Thame’s functional economic area, with South Oxfordshire District Council having confirmed that it is considered as part of Thame’s employment land supply

- 3.37 The Local Authority, South Oxfordshire, also emphasises the need to improve employment opportunities and increase employment land provision to help provide high-quality jobs and retain more skilled residents in the workforce. A net employment land requirement of between 19.0 and 35.9 ha is set out in the South Oxfordshire Local Plan, of which 3.5 hectares will be allocated in Thame.
- 3.38 At the neighbourhood level, the Thame Neighbourhood Plan sets out the existing conditions of Thame which provides a strong retail offer and a strong industrial market served by the most general industrial employment land space within South Oxfordshire. However, businesses have highlighted that there is a shortage of good quality office space. Consistent occupancy rates of around 98% suggest that there is demand for increased employment allocation in Thame.
- 3.39 In line with the South Oxfordshire Local Plan, Thame Neighbourhood Plan is obligated to provide at least 3.5ha of employment land. Consultations provide evidence of strong demand for employment space in Thame covering B1, B2 and B8 uses. Consultation has gathered feedback on two potential employment sites going forward (Rycote Lane and Howland Road) with site promoters have evidenced that they believe there would be strong take-up at both of these locations based on current enquiries.

4. Baseline Analysis

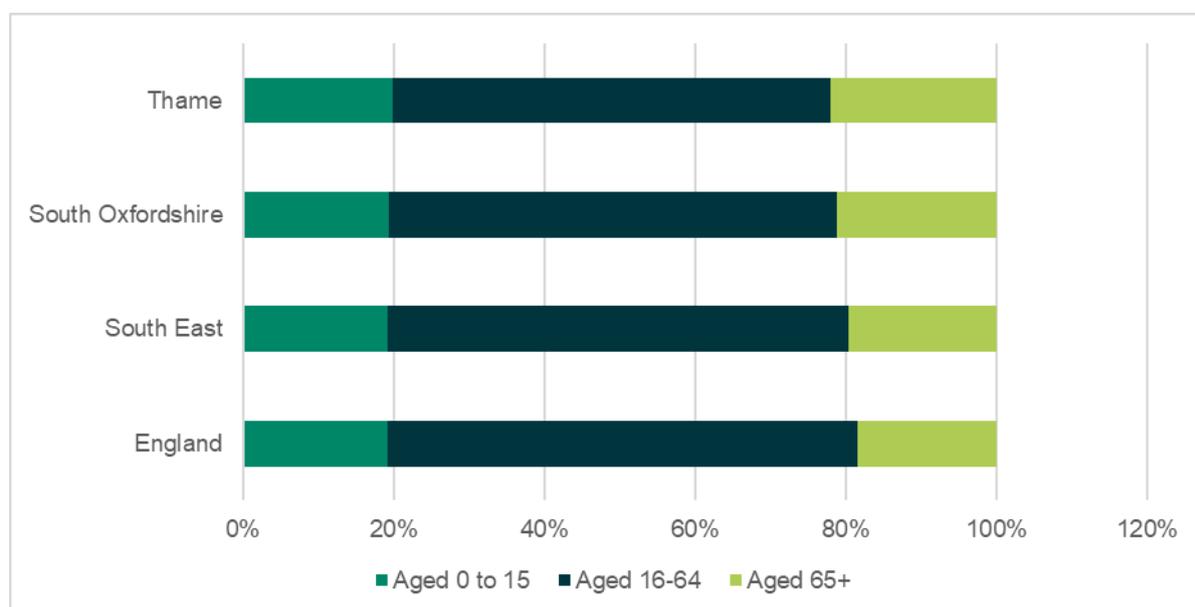
4.1 This section of the report sets out the socioeconomic conditions and trends in Thame over time in order to understand the impact of changes on likely employment space needs. Comparison is provided with South Oxfordshire district, the South East region and England. Where data is not available at the Thame level, the baseline conditions in South Oxfordshire district, the South East and England are presented.

Population, Labour Force and Skills

4.2 The Office for National Statistics (ONS) 2020 Mid-Year Population Estimates²⁰ show that the residential population of Thame has increased from 11,591 in 2011 to 12,747 in 2020, representing an increase of 10.0%. This growth is higher than that recorded in South Oxfordshire (6.5%), the South East (6.5%) and England (6.5%).

4.3 In 2020, 7,410 (58.1%) of Thame residents were of working age (aged 16-64)²¹. This is slightly lower than the shares in South Oxfordshire (59.6%), the South East (61.1%) and England as a whole (62.3%). See Figure 4-1 for population breakdown by age.

Figure 4-1 Population breakdown by age



Source: ONS Population Projections (2021)²²

4.4 Population projections suggest that South Oxfordshire’s population is expected to reach 150,007 by 2043, representing a 5.7% rise on 2020 levels²³. This is lower than the projected growth rate for the South East (7.6%) and England (8.9%).

4.5 Population projections are not available at the Thame level. However, the Local Plan set out a minimum outstanding requirement of 339 dwellings in Thame up to 2035. With an average household size of 2.36²⁴, this suggests an additional 799 residents in Thame, of which 624 would be expected to be adults²⁵.

²⁰ ONS. (2021). Mid-Year Population Estimates 2020.

²¹ ONS. (2021). Mid-Year Population Estimates 2020.

²² ONS. (2021). Population Projections – Local Authority based by single year of age.

²³ ONS. (2021). Population Projections – Local Authority based by single year of age.

²⁴ ONS Census 2011

²⁵ ONS Census 2011 – There were 55.1m persons in households, of which 43.0 million were adults (78.1%).

- 4.6 ONS Annual Population Survey data²⁶ shows the labour force in South Oxfordshire (population that were economically active) in the 12 months to December 2021 was estimated to be 66,300. This represents a 0.5% decrease from the 2011 estimate of 66,600. The labour force across the South East and England increased over the same period, growing 4.6% and 5.6%, respectively.
- 4.7 South Oxfordshire's economic activity rate in the 12 months to December 2021 was 80.9%, slightly above that in the South East (80.8%) and England (78.8%)²⁷.
- 4.8 The employment rate is notably higher in South Oxfordshire (80.4%) compared with the South East (75.1) and England (77.1%).
- 4.9 Further detail regarding economic activity and inactivity can be found in Table 3-1.

Table 4-1 Economic activity and inactivity

	South Oxfordshire (%)	South East (%)	England (%)
Economic activity rate – aged 16-64	80.9	80.8	78.8
Employment rate – aged 16-64	80.4	75.1	77.7
Unemployment rate – aged 16-64		3.9	4.6
% who are economically inactive – aged 16-64	19.1	19.2	21.2

Source: Annual Population Survey (January 2021 to December 2021)²⁸

- 4.10 As shown in Table 4-2, in 2021, 97.4% of working-age residents within South Oxfordshire held some form of qualification²⁹, above the rate in the South East (95.0%) and England (93.6%). Among residents of South Oxfordshire, 49.8% held a degree level or equivalent qualification (National Vocational Qualification [NVQ] Level 4+), higher than the proportions in the South East (45.2%) and England (43.2%).

Table 4-2 Qualification level of working-age residents

Qualification Level	South Oxfordshire (%)	South East (%)	England (%)
% with NVQ4+	49.8	45.2	43.2
% with NVQ3+	67.3	63.8	61.4
% with NVQ2+	85.9	80.7	78.1
% with NVQ1+	92.5	90.4	87.7
% with other qualifications	4.9	4.6	5.9
% with no qualifications	2.6	5.0	6.4

Source: ONS (2022) Annual Population Survey (January 2021- December 2021)³⁰

Local Economy and Employment

- 4.11 Thame has a strong economic offering and hosts employers that work across a range of sectors³¹. Some of the key employers include:

- Kubota – Manufacturer of diesel engines, tractors and ride-on mowers;

²⁶ ONS. (2022). Annual Population Survey (January 2021-December 2021).

²⁷ ONS. (2022). Annual Population Survey (January 2021-December 2021).

²⁸ ONS. (2022). Annual Population Survey (January 2021-December 2021).

²⁹ ONS. (2022). Annual Population Survey (January 2021-December 2021).

³⁰ ONS. (2022). Annual Population Survey (January 2021-December 2021).

³¹ Thame Town Council. (n.d.). Do Business in Thame. Available at: [Do business in Thame - Thame Town Council](#) [Accessed July 2022].

- Booker Tate – Sugar and agribusiness consultants;
- Lucy Switchgear – Secondary power distribution for utility, industrial and commercial customers;
- CPM – Sales agency;
- Unicarriers UK Ltd – Transport solutions for logistics and warehouses;
- Travelodge – Accommodation Head Office;
- Harrison Catering – Food services;
- Field Sales Solutions – Marketing;
- Imago Publishing Ltd – Publishing; and
- SUEZ Water UK – Water treatment.

4.12 Thame's strong agricultural history is reflected in a number of these key employers (Kubota, Booker Tate) and other businesses including: Farol Ltd (agriculture, groundcare and homeowner products), Mole Valley Farmers Ltd (agricultural supply business) and Thame Farmers Auction Mart (weekly farmers market auction).

4.13 Table 3.3 presents the most recent data collected from the Business Register and Employment Survey (BRES)³², showing a detailed breakdown of employment by sector in Thame, South Oxfordshire, the South East and England as a whole.

4.14 Thame has a distinct employment profile compared to South Oxfordshire and the regional and national picture. Employment in Thame is dominated by the professional, scientific and technical sector which accounts for 38.9% of employees, more than double the proportion in South Oxfordshire (18.0%) and markedly higher than the regional (8.9%) and national (9.1%) averages.

4.15 The manufacturing sector is also a comparatively significant employer in Thame, accounting for 10.0% of all employees, higher than in South Oxfordshire (4.9%), the South East (6.2%) and England (7.6%).

4.16 Conversely, Thame sees a significantly lower proportion of employment in Health (3.9%) and Education (5.6%), compared with the average across South Oxfordshire of 7.4% and 9.8% respectively.

Table 4-3 Employment by Industry

Employment Sector	Thame (%)	South Oxfordshire (%)	South East (%)	England (%)
Agriculture, forestry & fishing	0.2	2.0	1.4	1.4
Mining, quarrying & utilities	0.5	1.1	1.2	1.1
Manufacturing	10.0	4.9	6.2	7.6
Construction	3.3	6.6	6.0	4.9
Motor trades	1.9	1.6	1.9	1.8
Wholesale	7.8	4.1	4.1	3.9
Retail	8.9	8.2	9.2	9.3
Transport & storage (inc postal)	1.9	3.3	4.6	5.2
Accommodation & food services	5.6	8.2	7.2	7.1
Information & communication	3.9	4.9	6.0	4.5

³² ONS. (2019). Business Register and Employment Survey.

Employment Sector	Thame (%)	South Oxfordshire (%)	South East (%)	England (%)
Financial & insurance	1.7	2.5	2.9	3.5
Property	1.7	2.0	1.8	2.0
Professional, scientific & technical	38.9	18.0	8.9	9.1
Business administration & support services	4.4	7.4	7.9	8.8
Public administration & defence	0.8	2.0	3.2	4.1
Education	5.6	9.8	10.0	8.7
Health	3.9	7.4	12.6	12.9
Arts, entertainment, recreation & other services	4.4	4.9	4.9	4.3

Source: ONS, (2021); Business Register and Employment Survey 2020
(Totals may not equal 100 due to rounding.)

4.17 Table 4-4 shows employment by occupation in Thame, South Oxfordshire, the South East and England³³.

4.18 Employment by occupation in Thame is broadly comparable to South Oxfordshire. The largest occupation category is professional occupations, which account for 19.7% of the employment in Thame. This is slightly lower than in South Oxfordshire (21.4%), although this is higher than in the South East (17.5%) and England (18.7%). While broadly in line with the proportion in South Oxfordshire, there is a higher proportion of people working as managers, directors and senior officials in Thame (14.2%) the South East (10.9%) and England (12.3%).

4.19 In general Thame outperforms the regional and national comparators in traditionally higher skilled occupations, while the proportions of employment in traditionally lower skilled occupations is lower than the regional and national average.

Table 4-4 Employment by Occupation

Occupation	Thame (%)	South Oxfordshire (%)	South East (%)	England (%)
Managers, directors and senior officials	14.2	14.4	10.9	12.3
Professional occupations	19.7	21.4	17.5	18.7
Associate professional and technical occupations	15.2	14.6	12.8	13.8
Administrative and secretarial occupations	11.7	10.6	11.5	11.5
Skilled trades occupations	11.2	11.4	11.4	11.1
Caring, leisure and other service occupations	7.9	8.1	9.3	9.3
Sales and customer service occupations	8.0	6.0	8.4	7.9
Process plant and machine operatives	4.6	4.8	7.2	5.7
Elementary occupations	7.4	8.7	11.1	9.7

³³ ONS. (2019). Business Register and Employment Survey.

Source: ONS, (2021); Business Register and Employment Survey 2020³⁴.

(Totals may not equal 100 due to rounding.)

Commuter Trends

- 4.20 Data from the 2011 Census³⁵ showing the location of usual residence and place of work by age is the most recently available data regarding commuter trends.
- 4.21 At the time of the Census 2011, 1,599 individuals both lived and worked within Thame. Commuter outflows totalled 3,425, with key destinations for work including: Aylesbury Vale (794), Oxford (531), South Oxfordshire (513) and Wycombe (401). Conversely, Thame registered 5,353 commuter inflows for work, with the highest inflows coming from Aylesbury Vale (1,752), South Oxfordshire (872), Wycombe (436) and Cherwell (338).
- 4.22 The Census Origin Destination data therefore show inward commuter movements to Thame (5,353) exceed outward commuter movements (3,425) by 1,928.

Summary

- 4.23 There has been higher population growth within Thame between 2011 and 2020 than in South Oxfordshire, the South East and England. The population breakdown by age in Thame is broadly similar to these comparators.
- 4.24 While population projections are not available at the Thame level, the requirement for 339 additional dwellings in Thame up to 2035, set out in the Local Plan, suggests an additional 799 residents to be accommodated in Thame, of which 624 would be expected to be adults.
- 4.25 South Oxfordshire has a slightly higher economic activity rate and lower unemployment rate than the South East and England.
- 4.26 The population of Thame is well-educated, with a higher percentage of the population holding some form of qualification or a degree-level qualification compared to the South East and England.
- 4.27 The professional, scientific and technical sector and manufacturing sector provide a substantial proportion of employment opportunities within Thame. Both sectors employ a considerably higher proportion of the population than in the South East and England.
- 4.28 Inward commuter flows to Thame exceed outward commuter flows by 1,928. The local authorities of significance to Thame in terms of commuter trends are, Aylesbury Vale, South Oxfordshire and Wycombe.

³⁴ ONS. (2019). Business Register and Employment Survey.

³⁵ ONS. (2011). Census 2011.

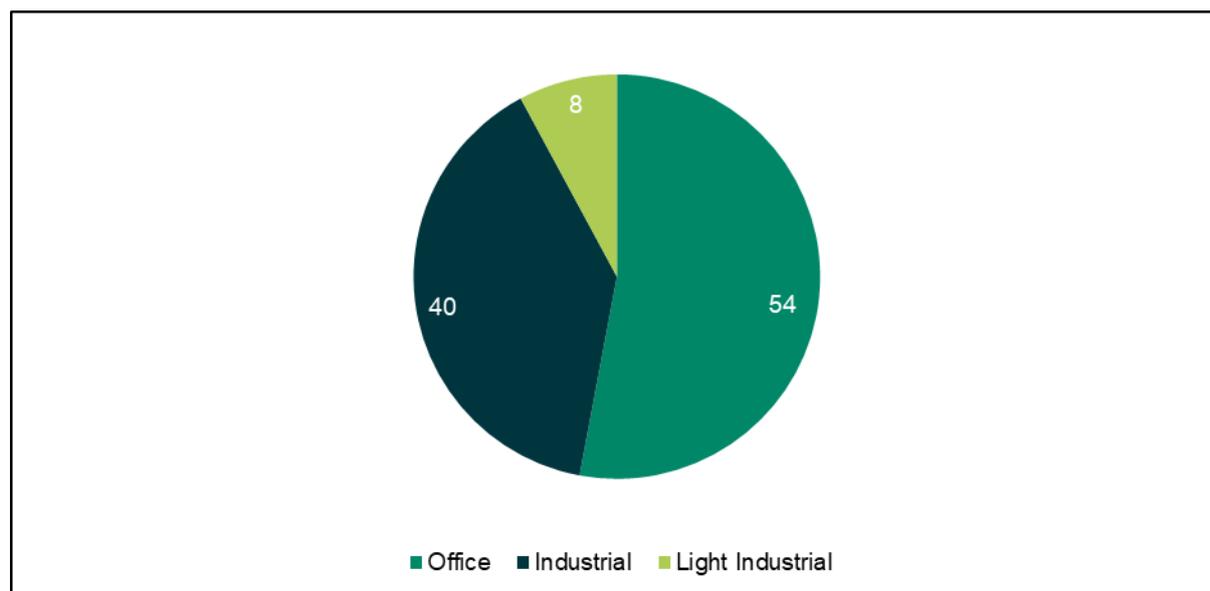
5. Property Market Analysis

- 5.1 This section provides a review of property market indicators in Thame. Reference is also made to comparator geographies and wider local authority and regional data. This reflects the fact that the commercial property market in Thame is not self-contained, and instead forms part of a much wider market area encompassing the whole of South Oxfordshire and neighbouring authorities to some extent, varying somewhat by type of floorspace.
- 5.2 Data presented in this section is derived from CoStar which represents a comprehensive database of up-to-date property market data. Trends are presented where applicable, otherwise data for 2022 Q2 is shown, being the most recent period for which complete data is available.
- 5.3 Commercial properties comprised of office, industrial, and light industrial types are considered, in line with the definition of employment land. It is recognised that there are other property types which may contribute to employment, but these will not be analysed for the purposes of this evidence base.
- 5.4 This section is organised into the following topics:
- Building Stock;
 - Vacancy;
 - Rental Values
 - Leasing Activity; and
 - Comparator Areas.

Building Stock

- 5.5 Within the Thame Parish area, there are a total of approximately 102 properties of the types analysed within this study, comprising 54 office properties, 40 industrial properties, and 8 light industrial properties. This is shown in Figure 5-1.

Figure 5-1 Commercial Properties in Thame



Source: CoStar, (2022).

- 5.6 There is a total of approximately 1.3 million sqft of floorspace across the employment land use classes within Thame, comprising approximately 350,000 sqft of office floorspace, 800,000 sqft of industrial floorspace, and 150,000 sqft of light industrial floorspace.

5.7 Industrial property types therefore provide the greatest amount of floorspace by property type despite only representing 40 properties, hence the average property size tends to be much larger than other uses, with the exception of light industrial types, which are assumed to have broadly similar functions. This is shown in Table 5-1.

Table 5-1. Commercial Property Profile

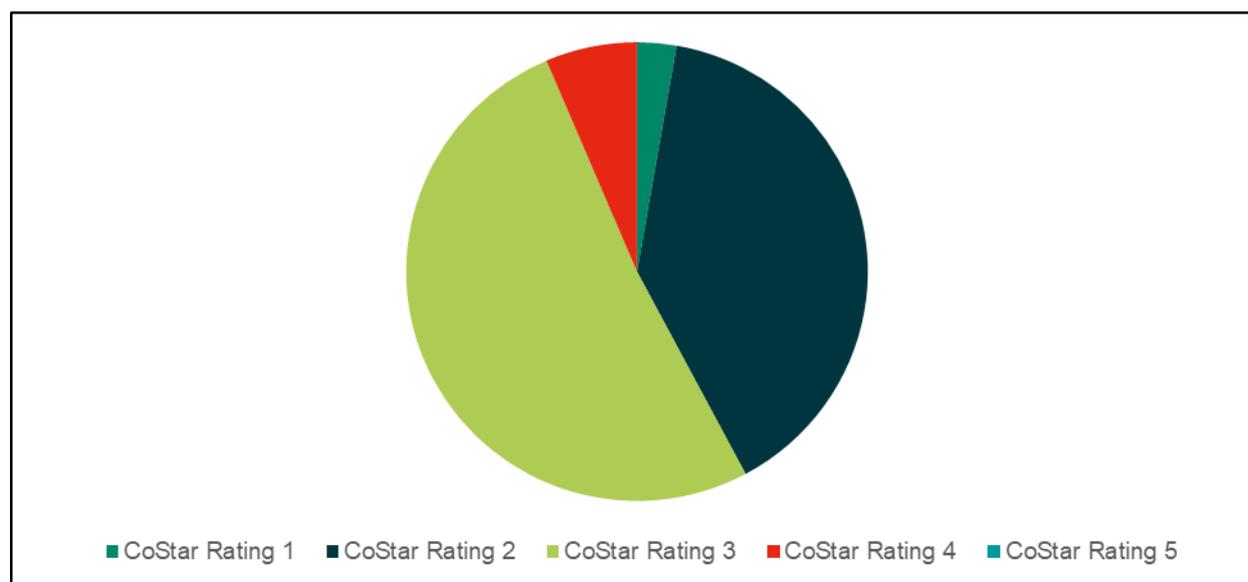
Property Type	Number of properties	Total floorspace (sqft)	Average floorspace (sqft)
Office	54	349,000	6,463
Industrial	40	813,000	20,325
Light Industrial	8	151,000	18,875

Source: CoStar, (2022).

5.8 CoStar assign a quality score to building stock on a scale of 1 to 5, where properties rated 5 are assessed to be the highest quality. This dataset represents a comprehensive scoring system which allows the comparison of building quality nationally³⁶.

5.9 When considering all of the commercial properties identified in Thame, the majority have been assessed to have a CoStar quality score of 3. This is shown in Figure 5-2. Therefore, the majority of properties are of reasonable quality, yet very few properties would be considered to be of high quality, and none are assessed to have a rating of 5.

Figure 5-2 Building Stock Quality, by number of properties

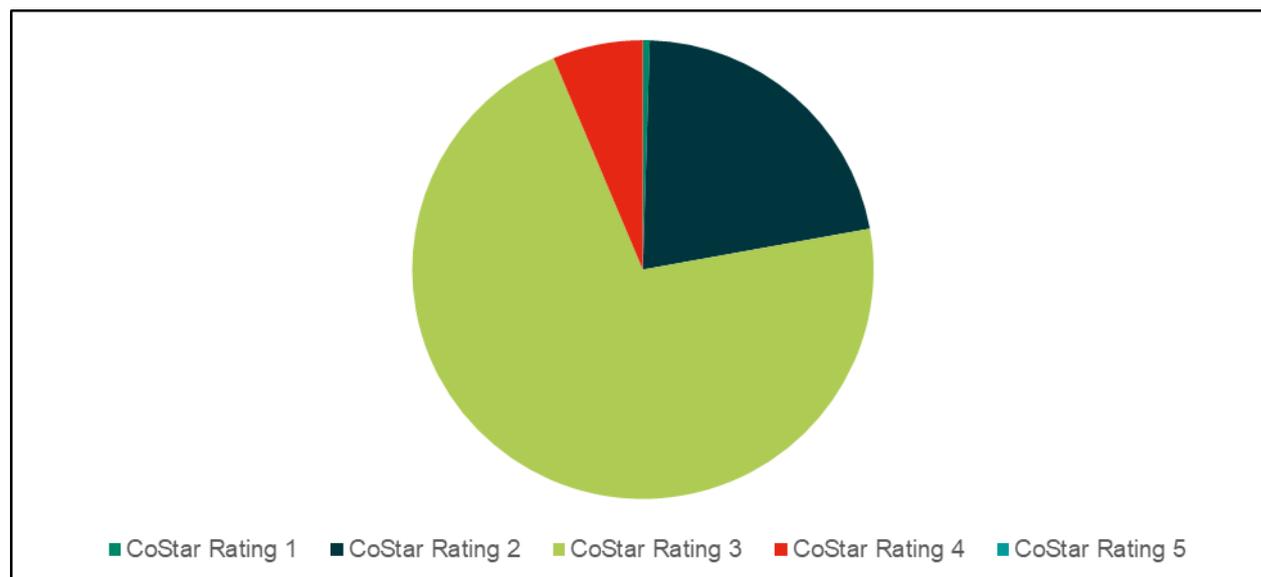


Source: CoStar, (2022).

5.10 When considering building stock quality in terms of floorspace for all commercial properties in Thame, a greater proportion is represented by a rating of 3 than when considering number of properties. In other words, the majority of commercial floorspace within Thame is of poor or reasonable quality, and only a small proportion is of good quality, as shown in Figure 5-3.

³⁶ The CoStar Building Rating System represents a national benchmarking tool which classifies buildings and allows for national comparison, given the rating is not tied to local market conditions and opinions. Other than retail properties, the rating considers buildings separately from the immediate vicinity. In order for a rating to be given various mechanisms including research, rating models, analytic quality assurance and market advisors are applied. Further information on the rating system and definitions of each of the scores, pertaining to each commercial building type can be accessed online at: https://www.costar.com/docs/default-source/brs-lib/costar_buildingratingsystem-definition.pdf?sfvrsn=12a507a4_2#:~:text=The%20CoStar%20Building%20Rating%20SystemSMis%20a%20national%20rating,specific%20%20standards%20developed%20for%20each%20property%20type.

Figure 5-3 Building Stock Quality, by floorspace area



Source: CoStar, (2022).

- 5.11 Further information on building stock quality of each property type is presented in Table 5-2.
- 5.12 In terms of office properties, it is shown that all of the 54 identified properties have a CoStar quality rating between 1 and 3. This is broadly in line with the quality of office properties in South Oxfordshire district more widely where 99% of properties and 98% of floorspace is rated between 1 and 3.
- 5.13 In terms of industrial properties, it is shown that all of the 43 identified properties are rated between 2 and 4, including 7 properties and 10% of floorspace assessed to have a rating of 4. In Thame, there is a greater proportion of properties (16%) and floorspace (10%) rated 4 when compared to industrial properties (4%) and floorspace (3%) in South Oxfordshire.
- 5.14 Light industrial properties tend to be assessed to be of the lowest quality in terms of the proportion of the number of properties rated 1, although this reflects that these properties are relatively fewer in number and thus the reported proportion is susceptible to few properties of poor quality. It follows that only 2% of light industrial floorspace is rated 1. In line with other property types, the majority of light industrial floorspace (97%) in Thame is rated either 2 or 3.

Table 5-2. Building Stock Quality, by property type

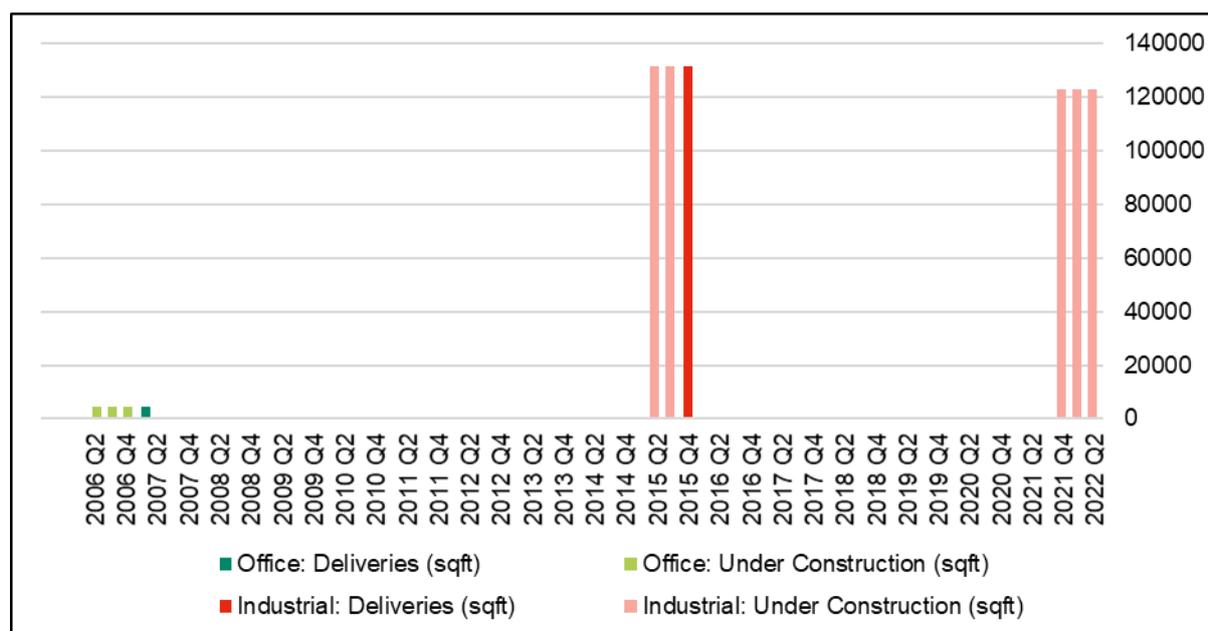
Property Type	CoStar Rating 1		CoStar Rating 2		CoStar Rating 3		CoStar Rating 4		CoStar Rating 5	
	No. of properties	Floorspace (%)								
<div style="display: flex; justify-content: space-between; align-items: center;"> Lower Quality ← → Higher Quality </div>										
<i>Thame</i>										
Office	1	1%	30	52%	23	47%	0	0%	0	0%
Industrial	0	0%	9	10%	27	79%	7	10%	0	0%
Light Industrial	2	2%	4	11%	6	86%	0	0%	0	0%
<i>South Oxfordshire</i>										
Office	31	2%	224	36%	148	60%	3	2%	0	0%
Industrial	16	1%	109	25%	110	70%	10	3%	0	0%

Property Type	CoStar Rating 1		CoStar Rating 2		CoStar Rating 3		CoStar Rating 4		CoStar Rating 5	
	No. of properties	Floorspace (%)								
Light Industrial	9	3%	12	55%	12	43%	0	0%	0	0%
<i>South East England</i>										
Office	977	1%	7,766	21%	7,729	61%	636	17%	5	0%
Industrial	802	1%	5,481	22%	6,989	65%	376	11%	18	0%
Light Industrial	316	2%	1,249	31%	943	63%	7	4%	0	0%

Source: CoStar, (2022).

5.15 Over the past 10 years, only industrial floorspace has been delivered in Thame, comprising 131,480 sqft across two properties in 2015. An additional 122,631 sqft of industrial floorspace across four properties is currently under construction. This is shown in Figure 5-4.

Figure 5-4 Historic Delivery of Floorspace



Source: CoStar, (2022).

5.16 Further detail is provided in evidence supplied by Thame Town Council in relation to the gain and loss of employment generating floorspace in and immediately adjacent to Thame Parish from April 2011 to March 2022, as set out in Table 5-3. This indicates that there has been a loss of 10,704 sqm office, 4,642 sqm warehousing and 1,160 sqm industrial floorspace. Though there is 15,973 sqm B2/B8 floorspace under construction, a potential loss of 4,280 sqm office space via granted prior approval means this represents a net loss of 4,812 sqm floorspace over this period. Conversely 7,152 sqm of Sui Generis space has been completed, with a further 5,900 sqm planned, though this offers limited employment generating potential.

Table 5-3 Gain/Loss of Floorspace

Floorspace Type		Floorspace 1	Floorspace 2	Floorspace 3	Net
Office	Completed	-11,256	552	0	-10,704
	Under Construction	0	0	0	0

Floorspace Type		Floorspace 1	Floorspace 2	Floorspace 3	Net
	Not Started	-4,303	23	0	-4,280
Industrial	Completed	-1,160	0	0	-1,160
	Under Construction	7,987	0	0	7,987
	Not Started	0	0	0	
Warehouse	Completed	-1,453	-14,349	11,160	-4,642
	Under Construction	0	7,987	0	7,987
	Not Started	0	0	0	0
Sui Generis*	Completed	-274	1,423	6,003	7,152
	Under Construction	0	0	0	0
	Not Started	5,899	0	0	5,899

Source: Thame Town Council

Vacancy

5.17 As of 2022 Q2, a total of approximately 30,000 sqft of floorspace in Thame is identified as vacant. This figure is mostly contributed to by industrial floorspace, whereby over 20,000 sqft is currently vacant. Approximately 7,500 sqft of office floorspace is vacant. No vacant light industrial floorspace has been identified.

5.18 The vacancy rate of identified commercial properties in 2022 Q2 is shown in Table 5-4. The overall vacancy rate across all property types is approximately 2.3%. Additionally, it is shown that:

- The vacancy rate of office properties is marginally higher in Thame (2.2%) than that exhibited in South Oxfordshire (1.8%), but considerably below the vacancy rate across South East England (7.1%);
- The vacancy rate of industrial properties is also marginally higher in Thame (2.8%) than South Oxfordshire (2.6%), yet below the rate across South East England;
- There are no vacant light industrial properties identified in Thame, whereas in South East England the rate is 2.1% and within South Oxfordshire represents the highest vacancy rate (5.8%) of any of the property types considered here.

5.19 Therefore the vacancy rate across office, industrial and light industrial properties in Thame is below the rate which is typical for the South East England region.

Table 5-4. Vacancy Rate

Property Type	Vacancy Rate		
	Thame	South Oxfordshire	South East England
Office	2.2%	1.8%	7.1%
Industrial	2.8%	2.6%	4.1%
Light Industrial	0.0%	5.8%	2.1%

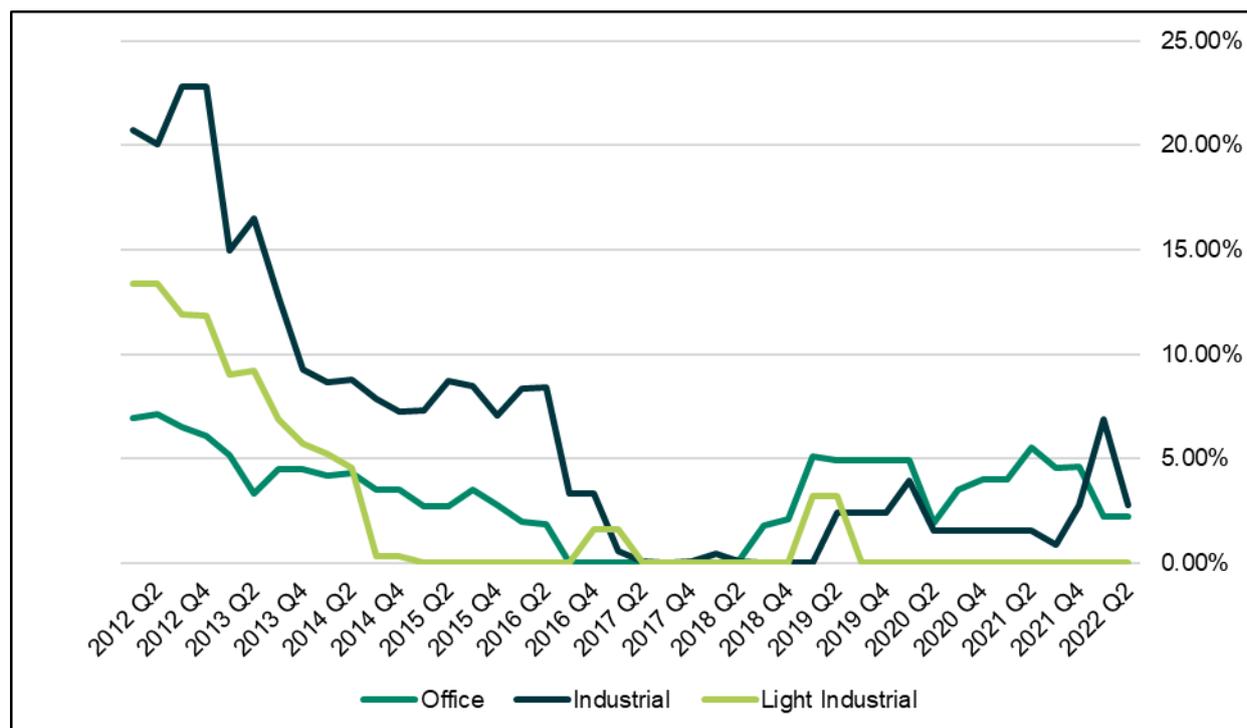
Source: CoStar, (2022).

5.20 The trend in vacancy rate between 2012 Q2 and 2022 Q2 is shown in Figure 5-5. Over the ten-year period for which data is presented, it is shown that all property types have exhibited an overall declining trend in vacancy rate. In the five-year period preceding 2022 Q2, vacancy rates for all property types have largely remained at or below 5.0%³⁷.

³⁷ According to the Greater London Authority (GLA)'s Land For Industry and Transport Supplementary Planning Guidance (2012), it is stated that a reasonable average rate for frictional vacancy – a condition whereby sufficient vacancy allows for a smooth running of the industrial land market – is approximately 5% of industrial land stock or 8% of floorspace.

- 5.21 Industrial properties have exhibited the greatest reduction in vacancy rate over the ten-year period presented, whereby the vacancy rate has reduced from over 20% in 2012 Q2 to below 5% in 2022 Q2. This is indicative of a trend of increasing demand for industrial properties.
- 5.22 Similarly, light industrial properties have exhibited a reduction of vacancy rate from in excess of 12.5% in 2012 Q2 to 0% in 2015 Q1, which has largely persisted in the period to 2022 Q2. This could possibly reflect long term leases applying to a small number of properties. This is also indicative of demand for light industrial properties.
- 5.23 For office properties, the vacancy rate has remained mostly below 5.0% since 2013 Q1, indicating persistent demand for this property type.

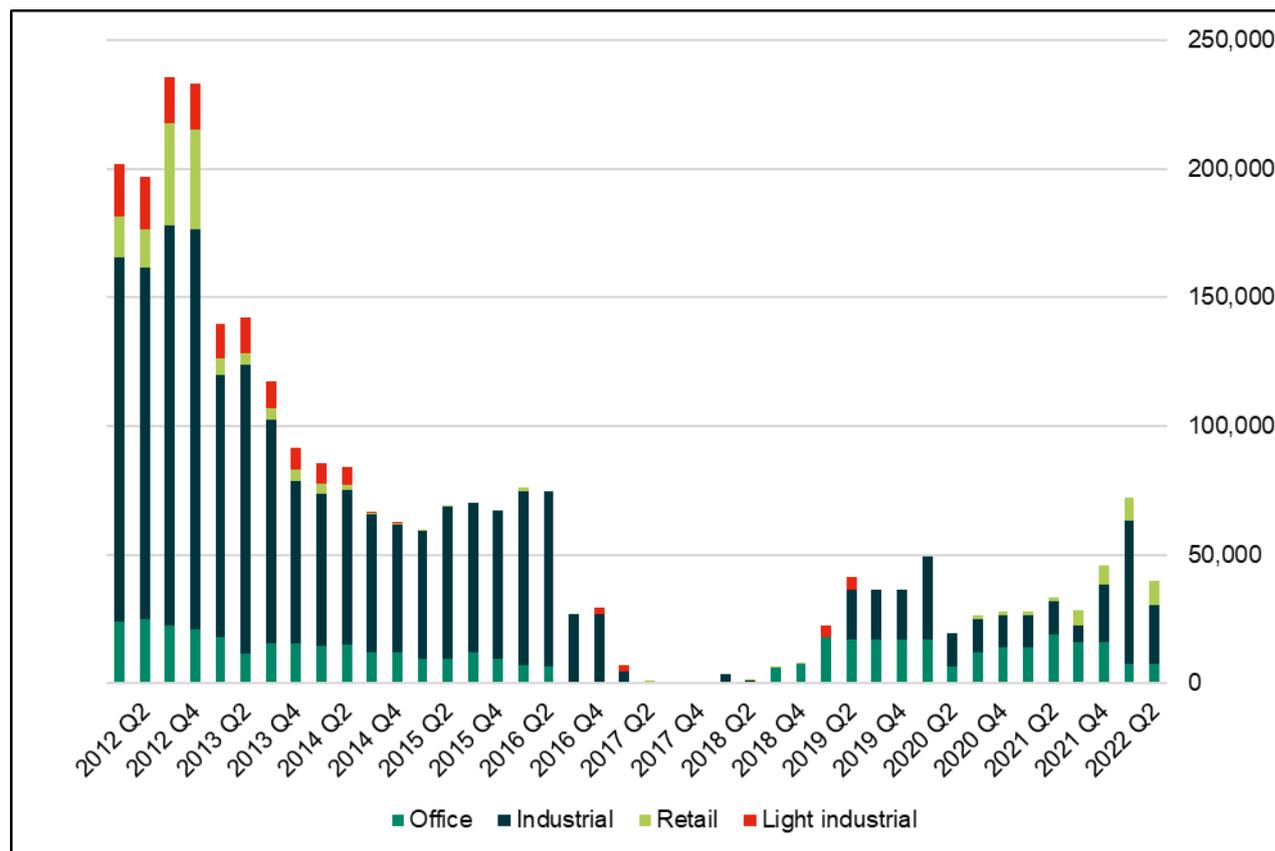
Figure 5-5 Vacancy Trend



Source: CoStar, (2022).

- 5.24 Overall, the total amount of vacant commercial floorspace in Thame has followed a reducing trend in the ten-year period preceding 2022 Q2, as shown in Figure 5-6. The greatest amount of vacant floorspace was exhibited in 2012, ranging from approximately 200,000 sqft to 240,000 sqft. With the exception of 2022 Q1, the amount has remained below 50,000 sqft in every quarter between 2016 Q3 and 2022 Q2. It is evident that the impacts of the COVID-19 pandemic have not been reflected in any significant change to vacancy trend, whereby vacancy rate has remained consistently low since 2020. In line with high vacancy rates in the period preceding 2016 Q3, industrial floorspace comprised the greatest share of vacant commercial floorspace between 2012 Q2 and 2016 Q3.

Figure 5-6 Vacant Floorspace (sqft)



Source: CoStar, (2022).

Rental Values

- 5.25 The market rental values in Thame, set out in Table 5-5, are broadly in line with those for South Oxfordshire, however there is some variation among property types. Office properties attract the highest market rental values (£17.38/sqft), whereas industrial properties tend to achieve the lowest market rental values (£10.18/sqft). This is typical across all study geographies.
- 5.26 In terms of office properties in Thame, the market rent achieved in 2022 Q2 (£17.38/sqft) was lower than exhibited across South Oxfordshire (£18.49/sqft) and South East England (£21.66/sqft).
- 5.27 Industrial properties also attracted marginally lower market rental values in Thame (£10.18/sf) than across South Oxfordshire (£10.88/sqft) or South East England (£10.83/sqft).

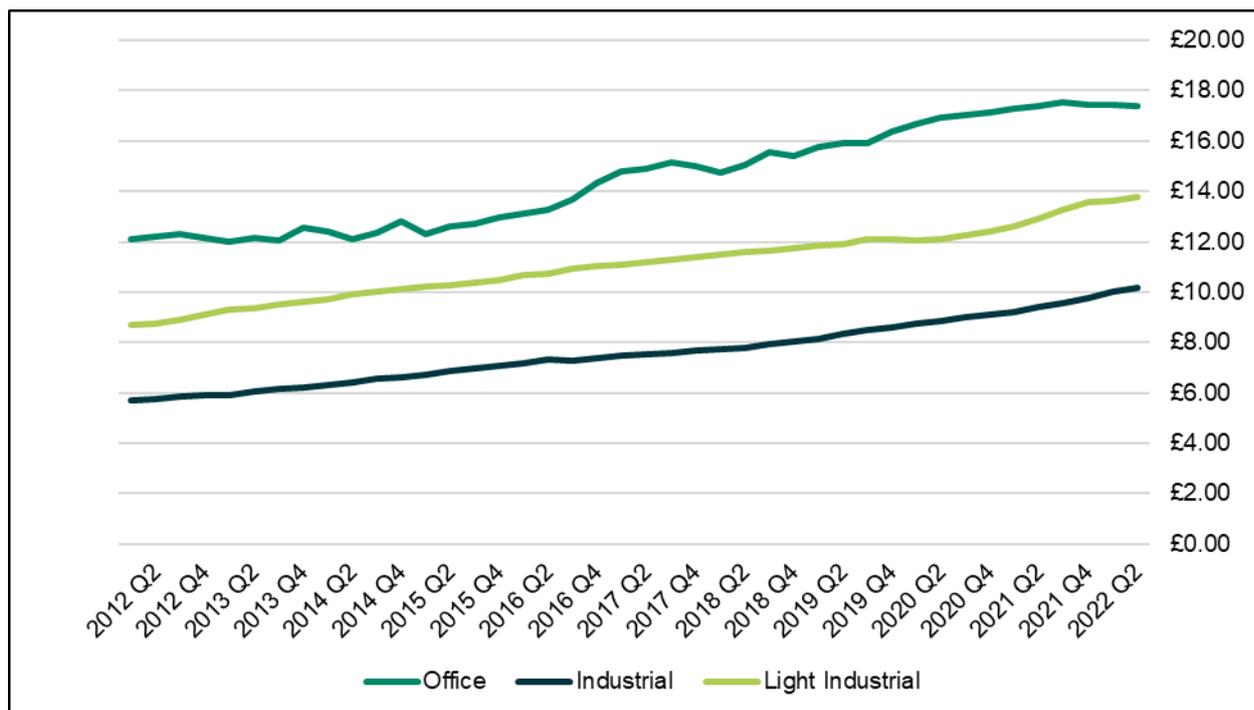
Table 5-5. Market Rental Values

Property Type	Market Rent (£/sqft) (2022 Q2)		
	Thame	South Oxfordshire	South East England
Office	£17.38	£18.49	£21.66
Industrial	£10.18	£10.88	£10.83
Light Industrial	£13.80	£15.82	£11.68

Source: CoStar, (2022).

- 5.28 Between 2012 Q2 and 2022 Q2, market rental values of office, industrial, and light industrial properties have exhibited an increasing trend.
- 5.29 Industrial market rents have increased by 43.8% over the past decade, with light industrial increasing by 37% over the same period. However, Office rents have seen more muted growth. This is shown in Figure 5-7.

Figure 5-7 Market Rent (£/sqft)

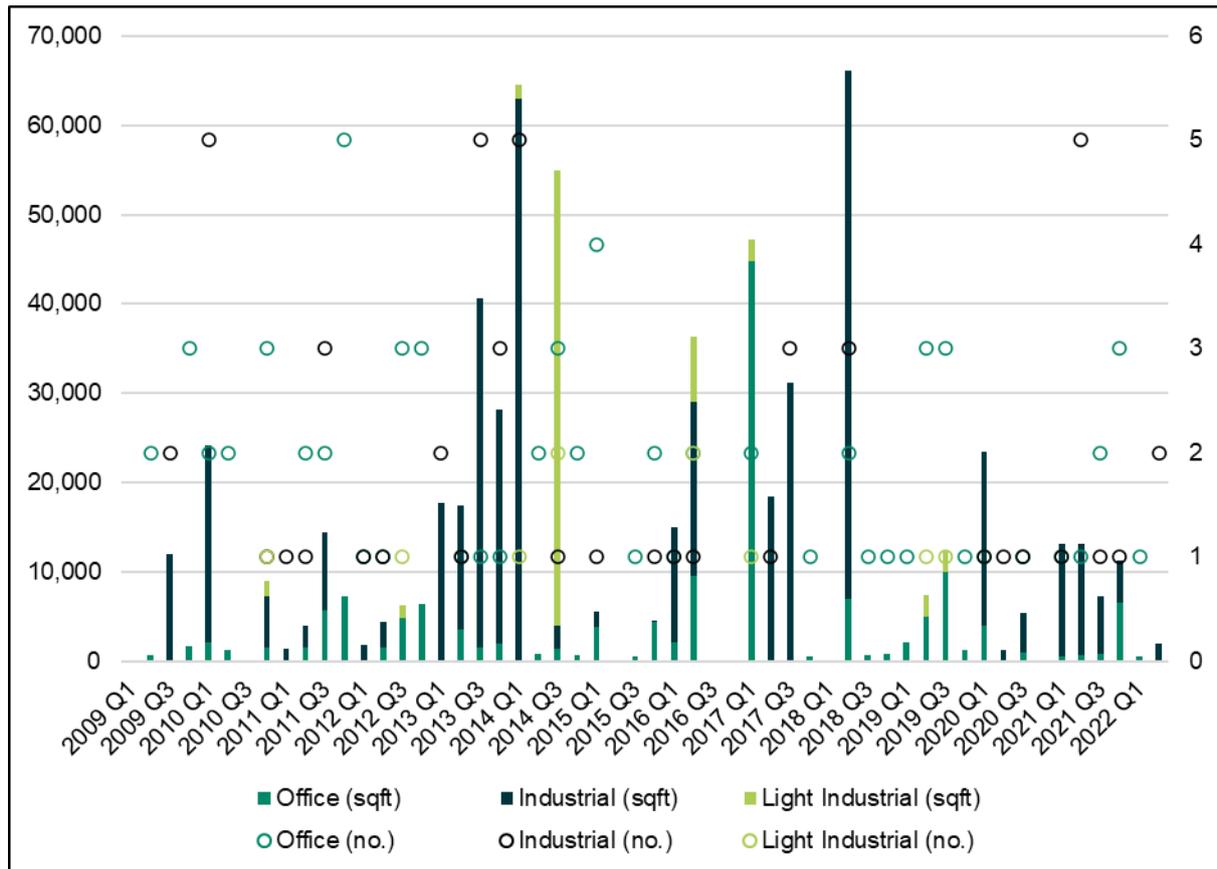


Source: CoStar, (2022).

Leasing Activity

- 5.30 Between 2009 Q1 and 2022 Q2, a total of 140 leasing deals were completed in Thame, comprising approximately 650,000 sqft of employment-generating floorspace. Approximately half of the total number of leasing deals conducted were office properties. However, when considering leasing activity in terms of floorspace, two thirds related to industrial use classes. This reflects the relative size of industrial properties.
- 5.31 Over the same time period, the number of leasing deals conducted for both office and industrial properties has followed a broadly decreasing trend. However, this trend is derived from very few deals in any single quarter. In terms of the floorspace of both of these property types dealt, the overall trend has been consistent overall. This is shown in Figure 5-8.

Figure 5-8 Leasing Activity in Thame – Floorspace (sqft) and Number of Deals



Source: CoStar, (2022).

Comparator Areas

5.32 This section considers property market indicators with reference to comparator areas, which are identified on the basis of their similar populations, proportions of working age population, employment levels, and geographical proximity to Thame, as shown in Table 5-6. When compared to the nearby towns of Wallingford, Kidlington, and Henley-on-Thames, it can be seen that:

- Thame supports a high amount of employment relative to its population size;
- Thame has a similar number of employment-generating properties and floorspace as these comparable settlements;
- Thame has a lower vacancy rate and overall amount of vacant floorspace compared to Wallingford, but exhibits higher vacancy rate and overall amount of floorspace compared to Kidlington and Henley-on-Thames.
- The vacancy rate of office properties in Thame is marginally higher than in each of the comparator geographies.
- The vacancy rate of industrial properties in Thame is higher than in each of the comparator geographies, except Wallingford.
- The vacancy rate of light industrial properties in Thame is in line with each of the comparator geographies, except Wallingford.
- Overall, Thame exhibits similar characteristics to Kidlington and Henley-on-Thames.

Table 5-6 Comparator Area Analysis

Indicator	Thame	Wallingford	Kidlington	Henley-on-Thames
Population ^{38,39}	12,747	8,336	12,285	11,927
Working aged population (aged 16 to 64) ^{40,41}	7,410 (58.1%)	4,907 (58.9%)	7,246 (59.0%)	6,831 (57.3%)
Employment ^{42,43}	9,250	4,100	10,060	7,250
Total properties	102	74	137	146
Total Floorspace (sqft)	1,313,000	930,000	1,184,600	881,000
Overall Vacancy Rate	2.30%	9.61%	0.89%	1.13%
Overall Vacant Floorspace (sqft)	30,251	89,418	10,503	9,991
Office				
Number of properties	54	39	45	113
Floorspace (sqft)	349,000	185,000	345,000	540,000
Vacancy Rate	2.19%	0.00%	1.00%	1.85%
Vacant Floorspace (sqft)	7,624	0	3,557	9,991
Industrial				
Number of properties	40	31	90	11
Floorspace (sqft)	813,000	659,000	773,000	206,000
Vacancy Rate	2.8%	8.3%	0.9%	0.0%
Vacant Floorspace (sqft)	22,627	54,683	6,946	0
Light Industrial				
Number of properties	8	4	2	22
Floorspace (sqft)	18,875	86,000	66,600	135,000
Vacancy Rate	0.0%	40.4%	0.0%	0.0%
Vacant Floorspace (sqft)	0	34,735	0	0

Source: CoStar, (2022).

Summary

5.33 In summary, a number of trends and characteristics are apparent with respect to the property market for commercial properties in Thame:

- Of the 102 employment-generating properties identified in Thame, the majority are office properties.

³⁸ Office for National Statistics, (2020); Population Estimates.

³⁹ Based on a best-fit area using Lower Super Output Areas (LSOAs). LSOAs are small geographical areas used for the reporting of statistics.

⁴⁰ Office for National Statistics, (2020); Population Estimates.

⁴¹ Based on a best-fit area using Lower Super Output Areas (LSOAs). LSOAs are small geographical areas used for the reporting of statistics.

⁴² Office for National Statistics, (2020); Business Register and Employment Survey.

⁴³ Based on a best-fit area using Lower Super Output Areas (LSOAs). LSOAs are small geographical areas used for the reporting of statistics.

- There is approximately 1.3 million sqft of employment generating floorspace in Thame, of which approximately 30,000 sqft is vacant, representing an overall vacancy rate of approximately 2.3%.
- Thame has seen limited new stock delivered over the past decade, with 131,480 sqft of industrial floorspace across two properties completed in 2015. Indeed, while some new floorspace is under construction, Thame has seen an overall net loss of office, industrial and warehousing floorspace from April 2011 to March 2022.
- The vacancy rates are lower for office, industrial, and light industrial properties than the regional rate.
- Vacancy rates have followed a broadly decreasing trend in the ten years preceding 2022 Q2.
- Vacant floorspace has remained mostly below 50,000 sqft in the six years preceding 2022 Q2.
- Thame attracts lower market rental values than South East England for office and industrial properties.
- Industrial market rents have increased by 43.8% over the past decade, with light industrial increasing by 37% over the same period. However, Office rents have seen more muted growth.

6. Stakeholder Consultation

- 6.1 This section provides summary analysis of the consultation undertaken in support of the employment land needs analysis for Thame. Consultees have included local businesses and property market agents⁴⁴. The following highlights some key themes that were raised by these stakeholders.

Business Demographics and Current Accommodation

- 6.2 The businesses consulted with employed between 30 and 150 staff members in Thame. These businesses range from small local manufacturers to those owned by sizeable international companies that employ a large number of people across the world. Stakeholder consultation confirmed that a wide range of business activity takes place within Thame, including logistics and materials handling, manufacturing and office work.
- 6.3 The size of accommodation occupied by these businesses ranges from 16,000 sqft to 45,000 sqft, although a number of stakeholders suggested that they required sites of up to 3 or 4 times larger than that which they currently occupy. The majority of stakeholders occupied industrial and warehouse space, with some office space alongside this. All consultees except one rent the sites on which they operate, although a number of stakeholders highlighted that they could buy sites to operate on in the future.

Strengths of Thame

- 6.4 Each of the stakeholders highlighted that Thame was a nice place to live and work, with a general desire to stay in the area going forward. Being close to the market town centre and the shops there was presented as part of the attraction of Thame as a location, in particular for staff satisfaction and happiness.
- 6.5 The geographical location of Thame and its proximity to the M40 was highlighted as one of Thame's key strengths. In particular, this was perceived to strengthen Thame's offering for businesses involved in distribution and transport. Two stakeholders highlighted the strong public transport network of buses around Thame, which offer an alternative commuting method for employees who do not live within Thame, although the lack of rail connections was also mentioned. The availability of fast fibre broadband in Thame was also presented as one of the strengths of the area, in particular for those whose staff are split between hybrid office workers and those who work on-site.

Weaknesses/Challenges of Thame

Lack of Supply

- 6.6 A number of stakeholders suggested that there was strong demand for industrial space in Thame, particularly amongst the expanding local business base. However, many businesses found that the right size or quality of site was not available. Feedback from commercial agents noted that this demand was across a range of sizes (2,000 – 20,000 sqft), with robust demand expected to continue despite economic uncertainty. It was generally felt that the lack of appropriate space in Thame, and in particular the lack of warehouse sites of an appropriate size (>20,000 sqft), were currently acting as a limit to business growth. In some cases, businesses were looking for sites up to 3 or 4 times the size of their existing location.
- 6.7 This is borne out in information provided in relation to the Christmas Hill Business Park. The scheme, which provides a mixture of unit sizes between 3,145 sqft to 51,129 sqft, has registered strong demand from different occupier types, including; trade counter, self-storage, advanced manufacturing, film & events, technology and logistics. This is predominantly from local businesses but also regional companies looking for more cost effective space from elsewhere in

⁴⁴ Telephone interviews were conducted with 7 stakeholders from 5 businesses who are currently located in Thame, and a commercial agent.

the region. The marketer of the site had two of the larger units under offer (Units 7 & 10) as well as a further five lease proposals under consideration. In total the agent had received enquiries on the site which total between 400,000 and 900,000 sqft. as of 1st August 2022⁴⁵, well in excess of the floorspace available.

- 6.8 Most stakeholders highlighted the loss of employment land to residential developments as one of the key challenges facing their search for space in Thame. Many raised the recent loss of truck manufacturer DAF from Thame as an example of this trend. On the whole stakeholders felt that industrial and commercial employment land should be prioritised over housing, although it was noted by some stakeholders that there should be increased allocation of land for both residential and employment purposes in Thame.
- 6.9 Conversely, in relation to office space, feedback from commercial agents highlighted that despite some turnover on smaller sites, demand for larger office units can be challenging, with relatively limited activity over the past 20 years. Some of the businesses consulted had converted office space towards other uses, given the shift to remote working as a result of the Covid-19 pandemic.

Aged Existing Stock

- 6.10 The age of the existing stock in Thame was also highlighted as a key issue. It was noted that the majority of industrial units are concentrated to the south and east of the town around Wenman Road and Howland Road and are fairly aged, with many being built in the 1970s and 80s, and therefore no longer fit for purpose. Similarly, the majority of office accommodation in the town centre is above shops in older buildings. This can cause challenges in terms of parking, access and the suitability of the accommodation as offices, though it was noted that office space outside of the town centre suffered from its lack of proximity to the amenities of the town centre.
- 6.11 Some stakeholders suggested that there had not been much recent regeneration or rejuvenation of employment sites in Thame, and that where extensions and changes had been made to existing buildings, they had not been done so cohesively. This has led to a number of sites feeling “disjointed” and “tired”. A number of stakeholders raised concerns over the environmental efficiency of some of the available buildings in Thame. Concerns regarding environmental efficiency mean that there is demand for new and higher quality/grade stock in Thame, rather than retrofitting. This is likely to become an increasingly important issue in the near future as new extended Environmental Performance Certificate (EPC) regulations come in⁴⁶.

Recruitment Difficulties

- 6.12 A number of stakeholders raised recruitment difficulties as a challenge associated with locating their businesses in Thame. In particular, businesses have had issues recruiting for elementary and junior roles. Stakeholders partly attributed this to the high cost of living in Thame, meaning that many people cannot afford to live in Thame and work for lower salaries. It was noted that lower paid workers often also have higher travel costs associated with commuting in from further away.
- 6.13 This echoes the findings of the socio-economic context in Thame. A higher proportion of Thame residents work as managers, directors and senior officials or within professional occupations than in the South East and England. Conversely, a lower proportion of Thame residents work in elementary occupations than in the South East or England. Many businesses in Thame rely on a large proportion of their staff commuting into Thame for work. One stakeholder suggested that approximately 20% of their staff lived in Thame. Locations of residence of employees included Aylesbury, Banbury, Bicester, Leighton Buzzard, Milton Keynes, Oxford and Didcot.

⁴⁶ The Government’s Energy White Paper (December 2020) set out the aim to achieve net zero emissions in the UK by 2050. Since 2018, there has been a minimum EPC rating of E for new tenancies, from the 1st April 2023 this will change and the rule will apply to all existing leases; it will be unlawful for a landlord to continue to let a commercial property with an EPC rating of less than E. The Government has suggested it will increase the Minimum Environmental Efficiency Standards (MEES) for all commercial properties to an EPC rating of B by 1st April 2030 (with two year ‘compliance windows’).

Cost

- 6.14 While some stakeholders felt that Thame offered an affordable alternative to locations such as Oxford, a number of other stakeholders raised the cost of renting sites in Thame as a barrier to their choice of site. Rents on production and warehousing space at £13-15 per sqft was felt to be prohibitive to small businesses and a number of small-scale manufacturers located in Thame. It was the view of one stakeholder that there would be “no manufacturing in Thame” in ten years’ time, due to manufacturers being “priced out” of the local market. It was noted that businesses had encountered a significant uplift in rents – nearly 50% increase in 5 years – with the lack of supply potentially a contributing factor in this rise. Conversely, it was noted that there had been limited growth in office rents over the past 20 years, given limited demand, particularly at the larger end of the market.
- 6.15 The high cost of land in Thame was viewed to be driven by both the logistics boom and the relatively inflated residential property prices in the area. For businesses who owned the property they inhabited, though, this was seen as a positive attribute to Thame, with the asset value offering some long-term security.

External Factors

Covid-19

- 6.16 The Covid-19 pandemic altered many businesses’ space requirements as a result of working from home and hybrid working practices. Of the businesses consulted, three mentioned that they had a reduced need for office space as a result of their office staff participating in hybrid working. Interestingly, however, all consultees noted that they do still require some office space and their priority going forward would be to find sites which could accommodate warehouse and storage capacity alongside some office space on a single site.
- 6.17 Overall, while requirements for office space were slightly reduced, stakeholders suggested that their space requirements had not been drastically altered as a result of the Covid-19 pandemic. This is primarily due to many being involved in business functions which cannot be accommodated through working from home, such as manufacturing, distribution and storage.

Brexit

- 6.18 Brexit and supply chain challenges were highlighted by a number of stakeholders as having a larger impact on their space requirements. In an effort to overcome the challenges introduced through the unpredictability of cross-border transport and lead times of between 6 and 8 weeks, many businesses are choosing to retain much higher stock in the UK than they previously had to. One consultee suggested that their business now chooses to hold double or triple the volume of stock that they did prior to Brexit.
- 6.19 In addition to affecting the space requirements of these businesses, Brexit and supply chain issues have also had implications in terms of the type of site these businesses are now looking for. For many businesses, warehousing and storage capabilities are now a high priority.

Competing Locations

- 6.20 Bicester was repeatedly highlighted as an alternative location to Thame. It was noted that both Bicester and Banbury have recently been expanding their commercial floorspace offering, and therefore could act as competing locations or potential options for firms looking to expand. There were mixed opinions regarding the affordability of Bicester in comparison to Thame. Most stakeholders were of the view that Bicester was generally cheaper than Thame, although one stakeholder felt that small manufacturers were still excluded from Bicester based on price.
- 6.21 Factors that made Bicester appealing for stakeholders included the larger warehouse facilities and better links to the M40 and Oxford. However, stakeholders noted that Bicester was not as

attractive a place to live and work as Thame, and that they felt their employees would be happier staying in Thame rather than relocating.

- 6.22 More generally, a number of stakeholders suggested that they would consider new sites within the South Oxfordshire region, provided that they were of the right size and quality and were located within good distance of transport links. Aylesbury was also noted as a competing location, particularly for larger warehousing units, given that lack of availability at >20,000 sqft in Thame.

Future Needs

- 6.23 Stakeholders highlighted the need for increased employment land allocations in Thame, and in particular, wanted to see an increase in modern industrial and commercial space. One stakeholder noted that “no matter how you look at it” there is clearly a need to increase the number of industrial units in Thames, as there is “definite appetite” there.
- 6.24 Stakeholders from four of the five businesses consulted suggested that they require considerably more space than is currently available to them in Thame. Partly due to increased storage requirements, one business stated they would need “at least double” the floorspace they currently rent, and another stated their projected growth and targets meant that they required three or four times more square footage “in real terms”.
- 6.25 As previously referenced, Stoford Ltd contend that in light of anticipated demand, and the employment land lost over recent years to residential uses, the quantum of employment land within the updated Neighbourhood Plan should be at least 10ha – well above the current minimum allocation of 3.5ha. A local commercial agent shared this concern, reflecting that the minimum 3.5ha allocation could be exhausted within 2 years given the current demand picture and limited spare capacity.

Summary

- 6.26 Businesses in Thame are generally unsatisfied with their existing accommodation, with concerns including size, age, environmental performance and cost. Many stakeholders felt the inadequacy of their existing accommodation was constraining their growth, with some businesses stating that they required double or three or four times more space than they currently occupied. This was corroborated by feedback from agents and developers, who note strong demand for industrial and warehousing floorspace in Thame.
- 6.27 There exists a level of concern, from a number of stakeholders, that older employment stock is being replaced by residential development and not being replaced in sufficient scale. Many pointed to the recent loss of the truck manufacturer DAF and subsequent loss to residential use through permitted development rights⁴⁷ as evidence of this.
- 6.28 There is a certain level of loyalty to the town. Stakeholders repeatedly commented on the market town and how nice of a location it was for their employees. Other factors that attracted them to Thame included strong broadband connection and good road and bus transport connections. Some stakeholders felt that Thame offered a more affordable alternative to locations such as Oxford. Businesses’ willingness to remain in Thame is demonstrated by their repeated attempts to find suitable accommodation within the Thame area. Alternative locations that some stakeholders would consider if they were unable to find suitable accommodation in Thame long-term include Bicester, Banbury and other well-connected locations within South Oxfordshire.

⁴⁷ Note, while permitted development rights were only established on a small part of the site, this rendered the whole site unappealing to the market

7. Estimating Future Needs

This section of the report contextualises the current minimum employment land allocation and the employment impact it would offer, before summarising the evidence presented and providing a recommendation in terms of the quantum of employment land to be allocated in Thame.

Expected Impact of the Current Minimum Allocation

- 7.1 In order to estimate likely future requirements for employment land/commercial floorspace, it is necessary to understand the likely uses that might occupy new premises.
- 7.2 Policies EMP1 and EMP6 of the South Oxfordshire Local Plan highlight that Thame must allocate at least 3.5 hectares of employment land, to be identified and delivered through the updated Neighbourhood Plan.
- 7.3 A basis for assessing potential future additional requirements in Thame is provided by considering how this minimum allocation of 3.5ha would translate into employment. To estimate this, the following assumptions are adopted:
- Minimum land allocation of 3.5ha, as established in the South Oxfordshire Local Plan.
 - Plot ratio of 0.4 in line with the Office of the Deputy Prime Minister (ODPM) Employment Land Reviews Guidance Note⁴⁸.
 - Gross Internal Area : Gross External Area = 92%, in line with similar benchmarks.⁴⁹
 - Assumed split of 80% B8 and 20% B2, based on the evidence gathered through the review of commercial property data, consultation exercise undertaken and enquiries at existing consented sites suggests that demand for commercial floorspace is predominantly focused towards B8 and to a lesser extent B2 use classes.
 - Employment density of 77 (sqm/full time equivalent (FTE)) applied to B8 floorspace⁵⁰ and 36 (sqm/FTE) applied to B2 floorspace from HCA Employment Density Guide 3rd Edition (2015).
- 7.4 It is important to note that, while we would expect employment land to come forward as B2/B8 development based on the market analysis/signals, the split of 80% B8 and 20% B2 is ultimately indicative for the purpose of estimating the potential employment that would likely be supported. This has been based on the demand identified through the course of the study (reflecting that there is more uncertainty with regard to the evidence of demand for office space, and wider feedback regarding demand/viability/rents and enquiries). The proposed employment land allocation could, in practice, accommodate any eventual split across the employment land use classes⁵¹.
- 7.5 The application of these assumptions suggests that, indicatively the 3.5ha allocation would be likely to support around 217 workers, as shown in Table 7-1.

Table 7-1: Employment Estimate based on South Oxfordshire Local Plan allocation (3.5ha)

	B8	B2
Employment Land	3.5ha	
Plot Ratio	0.4	
Percentage Split	80%	20%

⁴⁸ This source sets out a range of 0.4 to 0.6: 1 for B8 uses and 0.35 to 0.45: 1 for B2 uses. The use of 0.4 is viewed as a prudent assumption, representing a “worst case” from a B8 perspective

⁴⁹ Winchester Station Approach Masterplan Framework Lifschutz Davidson Sandilands 2018

⁵⁰ Note for B8 use classes the Employment Densities Guide provides a range of values based on a National Distribution Centre (95 sqm/FTE), Regional Distribution Centre (77 sqm/FTE) and Final Mile’ Distribution Centre (70 sqm/FTE). The use of the Regional Distribution Centre value is viewed as a prudent assumption and the closest alignment with potential uses in Thame.

⁵¹ E(g) i) office ii) the research and development of products or processes or iii) any industrial process, (which can be carried out in any residential area without causing detriment to the amenity of the area); B2 and B8

Total Floorspace	11,200	2,660
Employment Density (sqm/FTE)	77	36
Employment	145	72
Total Employment		217

7.6 This employment, again indicatively, would represent 2.5% of current employment (8,780 employees) in Thame⁵², or **62 jobs per hectare** of employment land delivered. Any allocation of additional land to this 3.5 ha should take account of this context.

Summary of Evidence Presented

7.7 To provide advice regarding the proposal of additional employment land allocations, the key findings of the evidence set out earlier in this report are presented below. This includes evidence that supports further allocations and that which might constrain this.

7.8 A summary of the key evidence which supports further additional allocation is as follows:

- Property market analysis demonstrates that vacancy rates are lower for office, industrial, and light industrial properties than the regional rate, with vacancy rates having followed a broadly decreasing trend in the past 10 years to sit at an overall 2.3% at the time of writing, indicating limited spare capacity in the market. Market rental values of office, industrial, and light industrial properties have exhibited an increasing trend over this same period. Industrial market rents have increased by 43.8% over the past decade, with light industrial values increasing by 37% over the same period. Feedback from agents suggests that rising industrial rents have been driven by the lack of supply, as well as the logistics boom in recent years, while office rates have seen more limited growth owing to a lack of demand.
- Primary evidence supplied by Thame Town Council regarding the gain and loss of employment generating floorspace from April 2011 to March 2022 indicates that there has been a loss of 10,704 sqm office, 4,642 sqm warehousing and 1,160 sqm industrial floorspace. Although there is 15,973 sqm B2/B8 floorspace under construction, a potential loss of 4,280 sqm office space via granted prior approval means this represents a net loss of 4,812 sqm floorspace over this period. Conversely 7,152 sqm of Sui Generis space has been completed, with a further 5,900 sqm planned, though this offers limited employment generating potential.
- This evidence reflects broader feedback from consultees which highlighted the loss of employment land to residential developments as one of the key challenges facing their search for space in Thame. Many raised the recent loss of truck manufacturer DAF from Thame as an example of this trend.
- The consultation exercise reflected strong demand for industrial and warehousing space in Thame, across a range of sizes (2,000 – 20,000 sqft), with robust demand expected to continue despite economic uncertainty. This is highlighted in the experience of the Christmas Hill Business Park site, which has registered strong demand from different occupier types, with the agent having received enquiries totalling between 400,000 and 900,000 sqft as of 1st August 2022⁵³, well in excess of the floorspace available. However, many businesses noted that the availability of suitable sites was low or existing accommodation unsuited to their needs. Conversely, there was a more muted demand picture in relation to office floorspace, particularly at larger scales.
- Similarly, representations from Stoford Ltd, contend that in light of anticipated demand and the employment land lost over recent years to residential uses, the quantum of employment land within the updated Neighbourhood Plan should be at least 10ha – well above the current minimum allocation of 3.5ha. A local commercial agent shared this concern, reflecting that

⁵² ONS BRES 2021

the minimum 3.5ha allocation could be exhausted within 2 years given the current demand picture and limited spare capacity.

- Given the majority of industrial and warehousing accommodation in Thame is second-hand space concentrated to the south and east of the town around Wenman Road and Howland Road, and accounting for wider comments from consultees regarding the quality and efficiency of existing stock, upcoming changes to Energy Performance Certificate (EPC) requirements could drive demand for more modern, efficient accommodation.
- The Local Plan sets out a minimum outstanding requirement of 339 dwellings in Thame up to 2035, suggesting an additional 799 residents to be accommodated in Thame. 624 of these new residents would be expected to be adults, suggesting a need to balance residential development with local economic opportunities.

7.9 Set against this, the key findings of this study regarding constraints on further additional allocation of employment land are summarised below:

- The consultation exercise is limited in its number of responses and reflects the views of existing Thame businesses looking to expand and, with 6/20 enquiries for space at Christmas Hill⁵⁴ being from existing Thame businesses, not all of the demand identified is additional. This could lead to existing sites becoming vacant, a potential outcome given the concerns noted from Thame companies regarding the quality of existing stock and upcoming changes to EPC requirements. Furthermore, it is difficult to qualify the veracity of enquiries, which may act to overstate potential demand for new sites.
- Many of the consultees reflected the high rental costs in Thame, despite being in relatively aged stock which was not meeting their needs. These costs were felt to be prohibitive to small businesses and a number of small-scale manufacturers located in Thame, which brings into question the ability of some companies to secure new accommodation and the higher rental cost this would involve.
- While the study is focused on Thame, it is important to consider wider commercial development in competing locations in South Oxfordshire which may satisfy some demand from local and regional companies looking for floorspace. For instance, developments such as Verda Park in Wallingford.
- There is uncertainty in the UK economic outlook, particularly in the near term given inflationary pressures and the challenges these pose for households and businesses. Indeed, growth is anticipated to decline to 0.3% in 2023, with consumers expected to cut back on spending and businesses slow down investments.⁵⁵

Recommendation

- 7.10 When considered overall, the evidence presented through this exercise points to demand and supply constraints (in terms of availability and quality) which suggest that the current minimum allocation of 3.5ha is insufficient to meet future needs in Thame.
- 7.11 Given this, it is viewed that an allocation of 5.5ha, reflecting an additional 2ha of employment land, would be prudent to allow Thame to maintain its character and the balance between residential (with an outstanding requirement for 339 homes during the plan period to 2035) and commercial development in the town.
- 7.12 Applying the same assumptions as set out in Table 7-1, this 5.5ha could support the employment of around 341 employees, an increase of 124 on the current minimum allocation of 3.5ha.
- 7.13 In all, 341 employees would represent 3.9% of current employment in Thame indicating that such an allocation could make a notable contribution to supporting employment retention, whilst

⁵⁴ Note, these are the enquiries where the origin of the business has been identified and do not total the true number of enquiries.

⁵⁵ IMF World Economic Outlook

limiting the potential for over-provision of space in the context of Thame's existing socio-economic conditions and commercial property market.

Appendix A CoStar Rating

Table A 1 CoStar Rating - Office

Rating	Group	Definition
★★★★★	A 5-Star office building is exemplary of a state-of-the-art, category defining structure that represents the latest trends and quality in design and construction, prominent in its context or of a landmark status, and very likely a certified sustainable and energy efficient building. Buildings rated to exhibit the nation's current set of highest quality structures and form the benchmark of current excellence in office buildings.	
	Architectural Design	Exterior Materials/Façade High-quality durable materials – natural stone, glass, well detailed metal panels; accentuating lighting
		Lobby/Common Areas Double height or atrium lobby with top quality finishes/materials and artwork, clear and intuitive layout for visitors, comfortable waiting area, accentuating lighting, high level of finish in other common areas and elevator cabs/lobbies
		Fenestration/Glazing/Views Full height glass, corner windows, abundant natural day lighting, generally available exterior views, high ratio of glazed to opaque exterior walls, highly efficient glazing specifications
		Overall Aesthetics Positively differentiated from background buildings yet contextually appropriate. Representing current trends and standards in design and/or of a timeless, perhaps a historic quality. Aesthetically exceptional arrangement of forms, massing and materials. Likely designed by a notable or signature architect
		Access Clearly articulated entrance identified with an architectural feature; truck and service entrance distanced from main entrance
		Structure/Systems High ceiling heights/slab-to-slab dimensions, efficient and virtually column free floor plans; modern energy-efficient HVAC, digitally controlled building automation systems, individual control/VAV units, efficient elevators with continuous shafts serving parking levels and upper floors, dedicated freight elevator. These buildings are likely to be constructed recently or undergone a significant renovation.
		Amenities/Management Concierge, on-site management, fitness center, services (dry cleaning, shoe repair, etc.), security with streamlined ID and badging process, on-site conference facilities, bicycle storage, shower facilities, and other highly demanded amenities
		Site/Landscaping/Exterior Spaces Continually maintained landscaping where applicable; exterior gathering spaces, roof terrace or courtyard
		Certifications Very likely a certified/labeled green and energy efficient building
At a minimum level, a 5-Star building typically includes the following: exterior materials listed above, a glazing ratio of approximately 75%, 12' slab-to-slab dimension, a column free floor plan, a regular floor plate shape, and multiple desired amenities.		
★★★★	A very high quality building that maintains market leadership through the strength of its initial construction, continual above average maintenance and desirability for tenants and investors over time, These buildings are likely to be older than the current 5 Star set.	
	Architectural Design	Exterior Materials/Façade High-quality durable materials – likely similar to 5 Star type yet possibly exhibiting signs of age and wear

Rating	Group	Definition
		Lobby/Common Areas Large lobby with clear circulation, above average finishes, comfortable waiting area
		Fenestration/Glazing/Views Full height glass or ribbon windows/large punched windows, great natural day lighting and views
		Overall Aesthetics Positively differentiated from background buildings yet contextually appropriate. Representing recent trends and standards in design and/or of a timeless, perhaps a historic quality
		Access Clearly articulated entrance identified with an architectural feature, truck and service entrance distanced from main entrance
	Structure/Systems	Likely to have some 5 Star qualities, or of a prior generation of buildings
	Amenities/Management	Likely to have some 5 Star qualities, possibly without service oriented amenities
	Site/Landscaping/Exterior Spaces	Well maintained landscaping where applicable; likely to have exterior gathering spaces, a roof terrace or courtyard
	Certifications	Likely a certified/labeled green and energy efficient building
★★★	Architectural Design	Exterior Materials/Façade Brick, stucco, EIFS, precast concrete, or possibly higher rated materials with signs of age and wear
		Lobby/Common Areas Modest lobby size and finish, clear lobby layout for visitors
		Fenestration/Glazing/Views Punched or ribbon windows, fair mix of glazed and opaque surfaces that provides adequate natural light
		Overall Aesthetics Average with respect to background buildings, contextually appropriate
		Access Undifferentiated but obvious main entrance
	Structure/Systems	Minimal ceiling height, smaller, less flexible floor plate, likely older and renovated
	Amenities/Management	Some standard amenities
	Site/Landscaping/Exterior Spaces	Modest landscaping and likely small or no exterior spaces
	Certifications	Possibly a certified/labeled green and energy efficient building
★★	Architectural Design	Exterior Materials/Façade Brick, stucco, EIFS, precast concrete, with noticeable aging
		Lobby/Common Areas Minimal or no lobby
		Fenestration/Glazing/Views Small, seemingly inadequate windows.
		Overall Aesthetics Average, functional
		Access Unarticulated entrance
	Structure/Systems	Purely functional
	Amenities/Management	Likely none
	Site/Landscaping/Exterior Spaces	Minimal or no landscaping, no exterior spaces
	Certifications	Unlikely a certified/labeled green and energy efficient building

Rating	Group	Definition
★		Practically uncompetitive with respect to the needs of a typical office tenants, may require significant renovation, possibly functionally obsolete. The building may have been originally constructed for non-office use.

Source: <Source>

Table A 2 CoStar Rating - Industrial

Rating	Group	Definition		
★★★★★	Architectural Design	Exterior Materials	Concrete tilt-up or concrete block, surface detailing to break up long facades, different and higher quality materials used on office parts of building. Insulated walls and roof.	
		Fenestration/Glazing	Large windows at office areas, skylights for reduced lighting expense	
		Overall Aesthetics	Positively differentiated from building in immediate vicinity. Representing current trends and standards in design.	
		Visibility/Access	Visibility from major access routes, clear delineation between employee/visitor route and service. Convenient access for trucks with very clear and visible signage from a distance.	
	Structure/Systems	RBA (typically)	≥ 150,000 sq. ft.	
		Clear Height (typically)	Distribution: ≥ 32 ft. Warehouse: ≥ 24 ft. Manufacturing: ≥ 28 ft.	
		Dock Ratio (typically)	Distribution: ≤ 5,000 sq. ft./dock Warehouse: ≤ 5,000 sq. ft./dock Manufacturing: ≤ 10,000 sq. ft./dock	
		Sprinkler Type	ESFR system	
	Site/Landscaping/ Exterior Spaces	Coverage Ratio (typically)	≤ 30%	
		Truck Court (typically)	≥ 125 ft	
	Certifications	Possibly a certified/labeled green and energy efficient building		
	★★★★	Architectural Design	Exterior Materials	Concrete tilt-up or concrete block, surface detailing to break up long facades, different and higher quality materials used on office parts of building, possibly exhibiting signs of weathering and wear
			Fenestration/Glazing	Large windows at office areas, possibly skylights
			Overall Aesthetics	Representing recent trends and standards in design
Visibility/Access			Visibility from major access routes, clear delineation between employee/visitor route and service. Convenient access for trucks with very clear and visible signage from a distance.	
Structure/Systems		RBA (typically)	Typically ≥ 100,000 sq. ft.	
		Clear Height (typically)	Distribution: ≥ 30 ft. Warehouse: ≥ 24 ft. Manufacturing: ≥ 28 ft.	
		Dock Ratio (typically)	Distribution: ≤ 7,500 sq. ft./dock	

Rating	Group	Definition	
			Warehouse: ≤ 7,500 sq. ft./dock Manufacturing: ≤ 15,000 sq. ft./dock
		Sprinkler Type	Yes
	Site/Landscaping/ Exterior Spaces	Coverage Ratio (typically)	≤ 50%
		Truck Court (typically)	≥ 100 ft
	Certifications	Possibly a certified/labeled green and energy efficient building	
★★★	Architectural Design	Exterior Materials	Concrete tilt-up or concrete block with a basic level of finish, undifferentiated materials at office
		Fenestration/Glazing	Small windows at office areas, possibly skylights
		Overall Aesthetics	Average with respect to surrounding buildings, contextually appropriate
		Visibility/Access	Delineation between access for employee/visitors and service vehicles. Convenient access for large trucks. Decent signage/
	Structure/Systems	RBA (typically)	Typically ≥ 50,000 sq. ft.
		Clear Height (typically)	Distribution: ≥ 28 ft. Warehouse: ≥ 20 ft. Manufacturing: ≥ 24 ft.
		Dock Ratio (typically)	Distribution: ≤ 10,000 sq. ft./dock Warehouse: ≤ 10,000 sq. ft./dock Manufacturing: ≤ 20,000 sq. ft./dock
		Sprinkler Type	Yes
	Site/Landscaping/ Exterior Spaces	Coverage Ratio (typically)	≤ 70%
		Truck Court (typically)	≥ 80 ft
	Certifications	Possibly a certified/labeled green and energy efficient building	
★★	Architectural Design	Exterior Materials	Metal or brick
		Fenestration/Glazing	No glazing, no skylights
		Overall Aesthetics	Average, functional.
		Visibility/Access	No apparent access strategy, difficult access and sub-optimal signage
	Structure/Systems	Purely functional	
	Site/Landscaping/ Exterior Spaces	Minimal or no landscaping, no exterior spaces	
	Certifications	Unlikely a certified/labeled green and energy efficient building	
★	Practically uncompetitive with respects to the need of a typical industrial tenants, may require significant renovation, possibly functionally obsolete.		

Source: <Source>

Table A 3 CoStar Rating - Retail

Rating	Group	Definition	
★★★★★	Location	Located in a prime retail district with high purchasing power area based on local demographics. High concentration of retail tenants in its proximity.	
	Tenants	Recognized, industry leading, national or international retailers, or high-end local retailers. High drawing power, particularly for anchor tenants.	
	Architectural Design	Exterior Materials/Façade	High quality materials that are durable, well maintained, clean, and seemingly appropriate to the use. Upscale shops should incorporate higher quality materials like natural stone, metal, and glass.
		Structure	New or very well maintained building, with a configuration applicable to a wide range of tenants
		Curb Appeal	A positively differentiated design that may attract customers and with a level of quality to appropriately match with the expectations of the particular retailer. Centers should be architecturally unified, while appropriately maintaining distinct individual identities of retailers. Contextually appropriate to the location. Represents current trends and standards in design and/or of a timeless/ historic quality.
		Landscaping	Well-designed landscaping that breaks up expanses of parking lots, and provides pedestrian pathways, well-designed exterior spaces for visitors. Service areas should be concealed by the structure or landscaping.
	Site Access/Site Design	Visibility/Access	Ingress and egress routes should be clearly defined and conveniently integrated with the roads serving the site. The building should be clearly visible from roadways with delineated access between employees/visitors and service vehicles. Storefront retail should be contextually appropriate; mixed-use retail entrances should be distinct from the non-retail, mall entrances should be prominently identified. Clear and well integrated signage. Corner locations featuring large frontages with dedicated turn lanes and signals. Parking lots and structures should be well lit and continuously maintained.
	Certifications	May have one or more certifications	
	★★★★	Location	Possibly located in a prime retail district and high purchasing power area. High concentration of retail tenants in its proximity.
		Tenants	Recognized, national or international retailers or high-end local retailers. High drawing power, particularly for anchor tenants.
Architectural Design		Exterior Materials/Façade	High quality materials that are durable, well maintained, clean, and seemingly appropriate to the use
		Structure	Likely newly built or well-maintained structure
		Curb Appeal	A positively differentiated design that may attract customers and with a level of quality to match with the expectations of the particular retailer. Centers should be architecturally unified, while maintaining distinct individual identities of retailers. Representing recent trends and standards in retail design and/or of a timeless/ historic quality

Rating	Group	Definition
		Landscaping Well-designed landscaping that breaks up expanses of parking lots, and provides pedestrian pathways, well-designed exterior spaces for visitors
	Site Access/Site Design	Visibility/Access Ingress and egress routes should be clearly defined and conveniently integrated with the roads serving the site. The building should be visible from roadways with delineated access between employees/visitors and service vehicles. Storefront retail should be contextually appropriate; mixed-use retail entrances should be distinct from the non-retail, mall entrances should be prominently identified. Clear and well integrated signage. Corner locations featuring large frontages with dedicated turn lanes and signals. Parking lots and structures should be well lit and maintained.
	Certifications	May have a certification
★★★	Location	Average concentration of retail tenants in its proximity
	Tenants	National, regional and local retailers
	Architectural Design	Exterior Materials/Façade Average cost materials in good condition
		Structure Potentially an older well maintained structure
		Curb Appeal Average design for its typology
		Landscaping Some features of the higher star category. Decent landscaping and exterior spaces and parking.
	Site Access/Site Design	Visibility/Access Delineation between access for employees/visitors and service vehicles, decent signage
	Certifications	Unlikely to have any certifications
★★	Location	Low concentration of retail tenants in its proximity.
	Tenants	Likely local or regional retailers
	Architectural Design	Exterior Materials/Façade Lower cost materials
		Structure Older property
		Curb Appeal Functional design
		Landscaping Little to no landscaping
	Site Access/Site Design	Visibility/Access No apparent access strategy, difficult access and sub-optimal signage
	Certifications	No certifications
★		Suitable for only very unique retails, may require significant renovation, possibly functionally obsolete.

Source: <Source>

