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Runnymede Housing and Economic Development Needs Assessment

Economy Workstream: Final Report

Runnymede Borough Council

March 2026

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Document control

JOB NUMBER	VERSION NUMBER	APPROVED BY	DATE
24 10 03	4.0	SNH	17/03/2026

Executive Summary

i. This report sets out the economic workstream of the Runnymede Housing and Economic Development Needs Assessment (HEDNA).

ii. This includes coverage of the area's economic conditions, strategic planning policy context, and commercial market context.

iii. An assessment of future economic growth forecasts and future employment sites and premises requirements is provided, within the context of labour demand, labour supply, and historic delivery, including comparison with supply data.

iv. This assessment provides evidence on the future demand for employment sites and premises i.e. land uses within the **B2**, **B8**, and **E(g)** classifications. As such, this report focuses on the sectors of the economy which are primarily responsible for generating demand for office, industrial, and warehousing and logistics sites and premises.

Economic context

v. Runnymede benefits from a strategic location on the edge of London, with good connectivity to many parts of the South East via the M25 and M3 motorways. The area's proximity to Heathrow Airport is also a strategic advantage.

vi. Runnymede's proximity to London presents a notable spatial constraint, by way of extensive Green Belt designations. Flood risk is also a spatial constraint within Runnymede. These factors limit development opportunities in the area.

vii. The borough's economic indicators are largely positive. The local population exhibits high levels of economic activity, with a trend toward higher employment levels. Residents are generally well qualified, contributing to a skilled labour force. Earnings data is encouraging, and Runnymede's location allows residents to access high-paying jobs in surrounding economic hubs, including central London and the Thames Valley.

viii. Gross Value Added (GVA) figures for the area are robust, reflecting strong productivity and economic output. Competitiveness indicators also suggest that Runnymede performs exceptionally well compared to similar local authorities. A particular strength lies in its information and communication sector, which is relatively strong. This is positively influenced by significant headquarters operations of key businesses such as Samsung (European HQ) and Gartner (EMEA HQ).

Planning policy context

ix. The National Planning Policy Framework (NPPF, December 2024) establishes England's planning policies, emphasising sustainable development through economic, social, and environmental objectives. It requires plans to meet development needs, align growth with infrastructure, and support economic productivity by creating conditions for business investment and expansion. Planning policies must proactively encourage sustainable economic growth, identify strategic sites, accommodate modern economy needs, and remain flexible for unanticipated requirements. The NPPF recognises specific sectoral needs, including knowledge-driven industries, logistics operations, and clusters supporting innovation. Proposed reforms to the NPPF (December 2025) were recently consulted upon. The proposed changes increase the weight to be given to economic and business growth and strengthen policy provisions in support of the modern economy.

x. Planning Practice Guidance emphasises the importance of understanding business needs through market analysis, employment forecasts, and sector-specific requirements, particularly for logistics and specialist sectors.

xi. The Modern UK Industrial Strategy (2025) targets eight growth-driving sectors (the IS-8), aiming to increase investment and support strategic clusters nationwide.

xii. Locally, Runnymede's Local Plan (2020) envisions maintaining an attractive business environment. Policy IE3 supports upgrading employment space and encouraging diverse business accommodation.

Commercial market context

xiii. In contrast to the very positive socio-economic indicators, the commercial market position is characterised by local agents as much weaker for Runnymede.

xiv. Whilst Runnymede retains a number of key HQ operations for technology companies as well as other blue chip occupiers such as Netflix, the general picture presented by commercial agents active in the market is of a weakening office market. This is heavily influenced by much wider market trends (accelerated by the COVID-19 pandemic) pushing office occupiers towards larger city locations, and areas that can offer Grade A space alongside excellent amenities. Coupled with this, Runnymede has been subject to significant pressures through the Permitted Development rights regime which has resulted from policy decisions made at Government level. This has reduced the level of office stock in Runnymede's towns and is reported to have removed the critical mass required to effectively compete. When set against a very challenging development viability context, agents see the future focus for office activities as retaining, refurbishing and incremental growth, rather than large scale development opportunities.

xv. Whilst Runnymede is not recognised as a primary industrial or logistics location, this market segment is performing more strongly nationally, regionally and locally than the office market. This is leading to some former office locations to be repurposed for industrial and warehousing. There are also potential opportunities arising from London occupiers moving outwards to find more affordable space and to benefit from the planned expansion of Heathrow airport. Commercial agents have indicated potential opportunities to provide some expansion to existing strongly performing industrial areas where policy and environmental constraints allow.

Economic forecasts

xvi. OE baseline employment forecasts align reasonably well with historic performance, as recorded by ONS. They are the higher of the two baseline forecasts in terms of overall employment growth and annual growth rates. OE employment forecasts also perform strongly compared to the range of UK employment growth rates predicted by both forecasters.

xvii. CE baseline forecasts are much lower than historic performance, and are the lower of the two baseline forecasts in terms of overall employment growth and annual growth rates. CE employment forecasts are within the range of UK employment growth rates predicted by both forecasters.

xviii. Both baseline forecasts estimate much lower GVA growth than historic performance. OE estimates are the higher of the two baseline GVA forecasts, and predict that Runnymede's GVA growth will outperform the UK and South East during the Plan period, and CE Plan period forecasts indicate Runnymede's GVA growth is likely to fall within the estimated range for UK GVA growth rates.

xix. Whilst it would be a reasonable position at this point to identify the OE forecast as a 'high' growth scenario, and the CE forecast as a 'low' growth scenario, the distribution of growth across sectors will have a substantial effect on the sites and premises implications of each forecast. In light of this, each forecast will be assessed on its own merits to determine the associated sites and premises requirements, at which point a 'high' and 'low' scenario can be identified.

xx. Labour supply analysis based on housing and demographic changes during the Plan period provides an indicative estimate of employment growth needed to maintain a balanced labour market – this is positioned in between the CE and OE baseline forecast positions. As such, a dedicated labour supply scenario has not been tested further.

xxi. In summary, the two scenarios taken forward for analysis are:

- OE (baseline)
- CE (baseline)

Employment sites and premises demand

xxii. Phase 1 of the assessment considers the net additional demand for sites and premises generated by changes to the size and structure of the economy i.e. the growth and decline of particular sectors. Forecasts of growth in all sectors of the economy have been provided by CE and OE, which have been utilised as inputs to the Phase 1 analysis.

xxiii. Phase 2 deals with the need to support the ongoing change in working practices through the provision of sufficient employment sites and premises stocks. This includes consideration of replacement demand, which ensures any employment floorspace at risk of functional or physical obsolescence, or change of use, are adequately replaced. Phase 2 also includes adjustments to ensure sufficient choice and flexibility is provided to allow for market churn, and that re-use of existing employment sites is reflected.

xxiv. Phase 3 considers current trends which can affect employment sites and premises demand. This includes macroeconomic trends, which are ubiquitous across commercial property markets in the UK, and possibly further afield, and microeconomic trends which consider the local context in Runnymede.

xxv. Having considered macro and micro trends within the national and local economies, and their application to employment sites and premises requirements in Runnymede, three sensitivity tests have been applied to consider alternative outcomes compared to the baseline forecasts.

- Offices (lower): downward pressure on baseline requirements caused by a combination of changing working practices, reducing office sizes, and reducing market demand. This has been sensitivity tested against the lowest of the baseline scenarios i.e. the OE scenario.
- General industrial (higher): upward pressure on baseline requirements caused by Manufacturing sector employment levels aligned with historic performance i.e. no employment losses. This has been sensitivity tested against the highest of the baseline scenarios i.e. the CE scenario.
- Warehousing and logistics (lower): upward pressure on baseline requirements caused by increasing demand for last-mile logistics floorspace due to growing populations, especially given Runnymede's particular location alongside densely populated urban areas in Greater London.

Results – labour demand

xxvi. The assessment estimates a **gross requirement** for between 73,000 and 91,000 sq m of additional office premises during the Plan period. This represents the sum of net additional and replacement demand (above) and includes an allowance for choice and flexibility. This is effectively the gross amount of floorspace that will need to be newly developed, upgraded, retrofitted, or refurbished to meet the estimated level of demand.

xxvii. The assessment estimates a **net requirement** for between 29,000 and 36,000 sq m of office premises delivered on new sites. This represents gross requirement (above) less provision from re-use of existing employment sites. This is effectively the net amount of floorspace that will need to be delivered on new sites (previously undeveloped for employment uses) within the Runnymede Local Plan.

Table 1: Estimated future premises (sq m) requirements (offices) – Runnymede (2028–2043)

	OE	CE	Sensitivity analysis
Gross requirement	80,000	91,000	73,000
Net requirement	32,000	36,000	29,000
Per annum (net)	**2,100**	**2,400**	**1,900**

xxviii. The assessment estimates a **gross requirement** for between 6,200 and 15,800 sq m of additional industrial premises, and a **net requirement** for between 2,500 and 6,300 sq m delivered on new sites.

Table 2: Estimated future premises (sq m) requirements (industrial) – Runnymede (2028–2043)

	OE	CE	Sensitivity analysis
Gross requirement	6,200	7,000	15,800
Net requirement	2,500	2,800	6,300
Per annum (net)	**170**	**190**	**420**

xxix. The assessment estimates a **gross requirement** for around 59,000–63,000 sq m of additional warehousing and logistic premises, and a **net requirement** for around 24,000–25,000 sq m delivered on new sites.

Table 3: Estimated future premises (sq m) requirements (warehousing and logistics) – Runnymede (2028–2043)

	OE	CE	Sensitivity analysis
Gross requirement	59,000	60,000	63,000
Net requirement	24,000	24,000	25,000
Per annum (net)	**1,600**	**1,600**	**1,700**

xxx. The estimated future net floorspace requirements set out above can be translated to **net sites requirements** for Runnymede during the Plan period, as follows:

Table 4: Net estimated future sites (ha) requirements – Runnymede (2028–2043)

	OE	CE	Sensitivity analysis
Gross requirement	8.0	9.1	4.2
Net requirement	0.6	0.7	1.6
Per annum (net)	**6.7**	**6.9**	**7.2**

xxxi. This is effectively the additional amount of land that will need to be identified within the Runnymede Local Plan to support the estimated level of demand.

Results – historic delivery

xxxii. Analysis comparing the requirements established via the labour demand assessment with historic patterns of development across Runnymede find that:

- **Gross**: overall, labour demand scenarios generate gross annual requirements which are slightly higher than gross annual historic completion rates.
- **Net**: overall, labour demand scenarios generate net annual requirements which are substantially above indicative net annual historic completion rates.

xxxiii. Local commercial property agents have reported an ongoing trend of office floorspace being lost to residential use through Permitted Development Rights (PDR). It is likely that any new development that took place over the period 2003–2018 in Runnymede was contributing to maintaining the same overall quantum of stock. The reported lack of new office development in recent years has therefore resulted in a large loss of office stocks, as PDR has continued with no new floorspace to replace it.

Comparing supply and demand

xxxiv. Based on the available information, there is one remaining development site allocated for employment purposes at Byfleet Road. There is also a limited amount of supply which is currently under construction or vacant. In combination this could meet up to *c.*35,000 sq m of industrial and storage uses. Beyond this, future needs will need to be met through new allocations, potentially requiring Green Belt release, or through further redevelopment and intensification of existing employment areas.

Conclusions

xxxv. The conclusion of the assessment can be summarised as follows:

- **Strong economic performance**: Runnymede's economy has performed strongly, capitalising on its excellent strategic connectivity and location
- **Commercial market challenges**: despite the strong economic fundamentals, the commercial market context is described in much more negative terms by local agents.
- **Strategic location with spatial constraints**: whilst the strategic location of Runnymede is a key asset, there are development constraints in the form of Green Belt and flood risk in particular. This limits the scope for new commercial development.
- **Future growth predicted to be lower than historic growth**: economic forecasts suggest growth scenarios that sit below long-term historic employment growth. However, these align with forecast population and labour supply growth.
- **Future commercial property requirements assessed above historic levels**: this is in large part a reflection of past under-delivery of floorspace, as opposed to an inflated assessment of future needs.
- **Specialist focus on opportunity sectors**: creative tech presents an opportunity to build on emerging cluster specialisms, and information and communication presents an opportunity to support an existing strength.
- **Challenge identifying supply**: the key challenge is identifying suitable supply to allow expansion and new development to come forward.
- **Heathrow expansion will bring opportunities and threats:** the proposed expansion of Heathrow airport will be a significant backdrop to the next Local Plan period if it goes ahead.

1 Introduction

1.1 Hardisty Jones has been instructed alongside ORS to prepare the Runnymede Housing and Economic Development Needs Assessment (HEDNA). Whilst separate reports have been prepared to address the housing and economy workstreams, the findings of each have informed the other workstream. This report sets out the results of the economy workstream.

Objectives

1.2 The project specification set out the following requirements:

- Consider up to three potential future economic scenarios to assess future economic growth needs and employment floorspace/land requirements. This should include a labour demand scenario, a labour supply scenario (aligned to the housing needs identified for the Borough), and consider whether a past trends in completions scenario is beneficial.
- Assess the balance of supply and demand for employment floorspace/land to identify how much additional land, if any, and of what type(s) needs to be allocated in the Borough over five-year periods.

Methodology

1.3 The methodological approach has been designed to meet the requirements of the National Planning Policy Framework (NPPF) and align to Planning Practice Guidance (PPG) relevant to economic needs assessments. Detailed discussion of the methodology is set out at the relevant sections of this report, and with supporting information contained in appendices.

1.4 The overarching approach recognises that this is a future facing analysis which therefore must deal with significant inherent uncertainty. The assessment of future requirements therefore seeks to draw together a wide range of evidence on both the economy and the commercial property market in order to make informed judgments of potential needs. The analysis contained in this report does not seek to suggest spurious or unfounded accuracy, but to provide appropriate and robust evidence on which future policy can be developed.

1.5 Future requirements analysis has been set out for the 15-year period 2028-2043. Upon request by Runnymede Borough Council data tables are also set out at Appendix 7 for alternative time periods: 2028-2038, 2028-2040 and 2028-2045.

Structure of this report

1.6 The remainder of this report is structured as follows:

- Chapter 2 provides a summary of the Runnymede economy and how it has been changing in recent history (additional information provided with in Appendix 3);

- Chapter 3 sets out a summary of the policy, strategy and guidance documents relevant to the economy workstream;
- Chapter 4 sets out a summary of the commercial market context for Runnymede;
- Chapter 5 provides a discussion of economic forecasts for Runnymede, including the labour supply scenario;
- Chapter 6 sets out analysis of the employment sites and premises demand associated with the economic growth forecasts and scenarios;
- Chapter 7 provides discussion and analysis of a series of sensitivity tests;
- Chapter 8 contains analysis of historic development trends in Runnymede and compares this to the future requirements estimated from the growth scenarios;
- Chapter 9 compares the results of the needs assessment with current estimates of employment sites supply, identifying any gaps or wider issues; and
- Chapter 10 sets out summary conclusions from the report.

1.7 A series of appendices provides detailed information in support of the analysis contained within the main report.

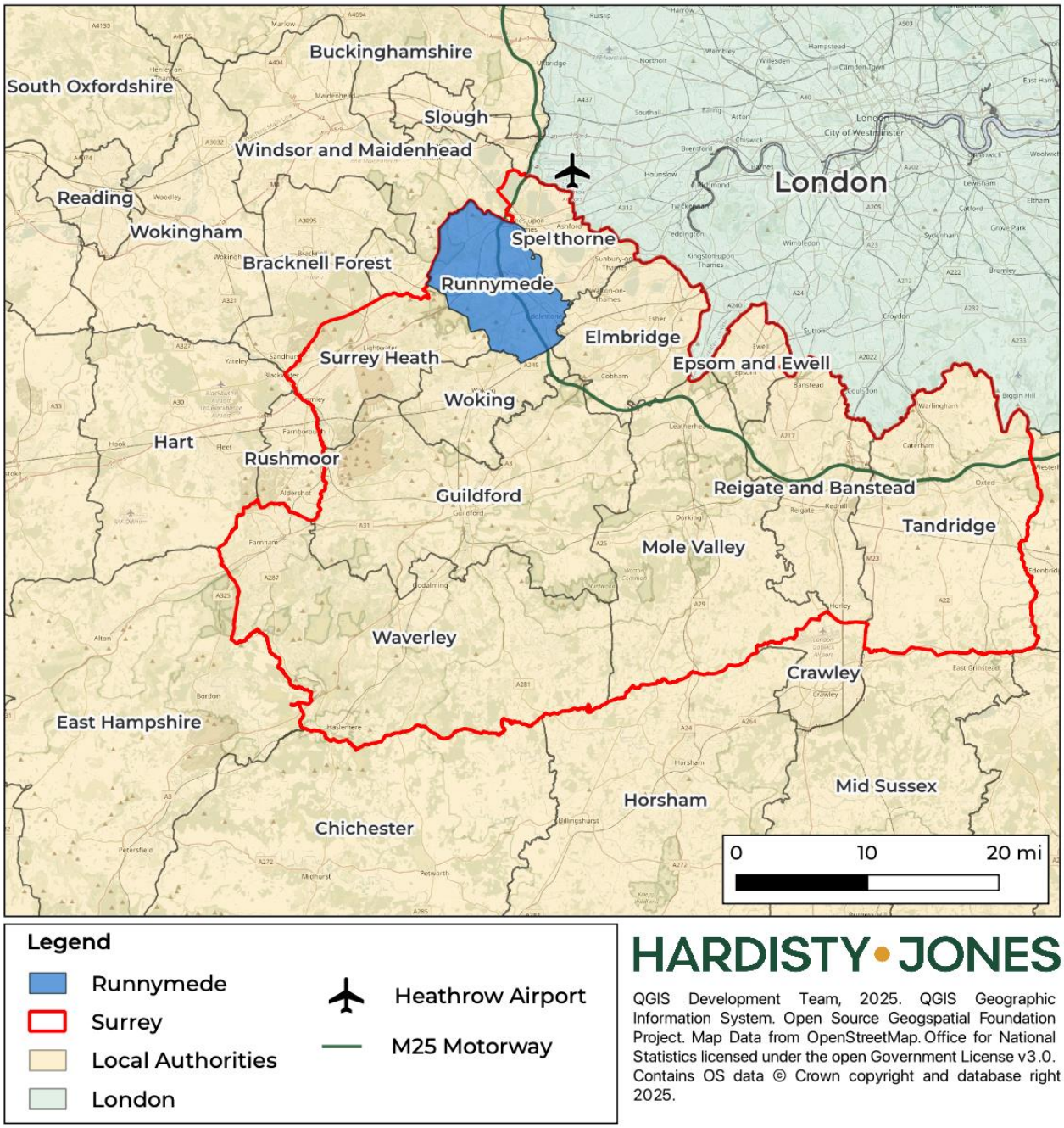
2 Economic Context

2.1 This chapter sets out a summary of the economic context for Runnymede. This chapter outlines the geographical context and sets out the socio-economic baseline of Runnymede in comparison to Surrey and the UK.

Geographical context

2.2 Figure 2.1 presents a map of Runnymede and the surrounding areas.

Figure 2.1: Map of Runnymede and surrounding areas



2.3 Runnymede is located in the south east of the United Kingdom and lies just outside Greater London. The borough is part of Surrey County and borders the Surrey local authorities of Spelthorne, Elmbridge, Woking, and Surrey Heath. It also borders the Royal Borough of Windsor and Maidenhead, in the county of Berkshire to the north west. Runnymede benefits from strong transport assets such as Heathrow Airport to the north east and the M25 motorway which runs through the borough.

2.4 A Functional Economic Area (FEA) analysis was carried out for Runnymede in 2015 which set out to assess the economic markets and linkages of the borough. A number of factors (such as travel to work areas, housing, flows of goods and services) were assessed to understand their influence on economic development in Runnymede and the wider area. This has been used as a baseline for Runnymede's geographical context.

2.5 Runnymede was located in the north eastern corner of the EM3 Local Enterprise Partnership (which stretched from the M25 and the outskirts of London, through Surrey and Hampshire, to the New Forest and the South Coast) which was disbanded in April 2024.

2.6 The analysis found notable commuting flows from Runnymede to Heathrow and London. Major local travel to work relationships were also observed between the borough and Spelthorne, Elmbridge and Woking which were the top three locations of residence of Runnymede's workforce (outside of Runnymede itself).

2.7 It was concluded that Runnymede was part of various FEAs. The north of Runnymede was concluded to sit within the FEA centred around Heathrow and had strong relationships with Spelthorne, Hounslow and Hillingdon. The southern areas of Runnymede (in particular Addlestone and Chertsey) were considered to sit on the edge of a South East London/M3/A3 corridor market and had strong relationships with Woking and Elmbridge local authority areas.

2.8 Whilst there have been some changes to administrative arrangements (such as the closure of LEPs), the key functional relationships identified in the previous study remain. The strategic transport infrastructure is similar.

2.9 In terms of Runnymede's commercial property market, the FEA analysis highlighted that the borough itself had a strong local economic base with many commercial enterprises located in its town centres, industrial estates, business parks, and suburban business areas that supported employment. Discussions with local commercial agents (see Chapter 4) to inform the current HEDNA have indicated some changes, particularly in terms of the reduction in town centre commercial office activity.

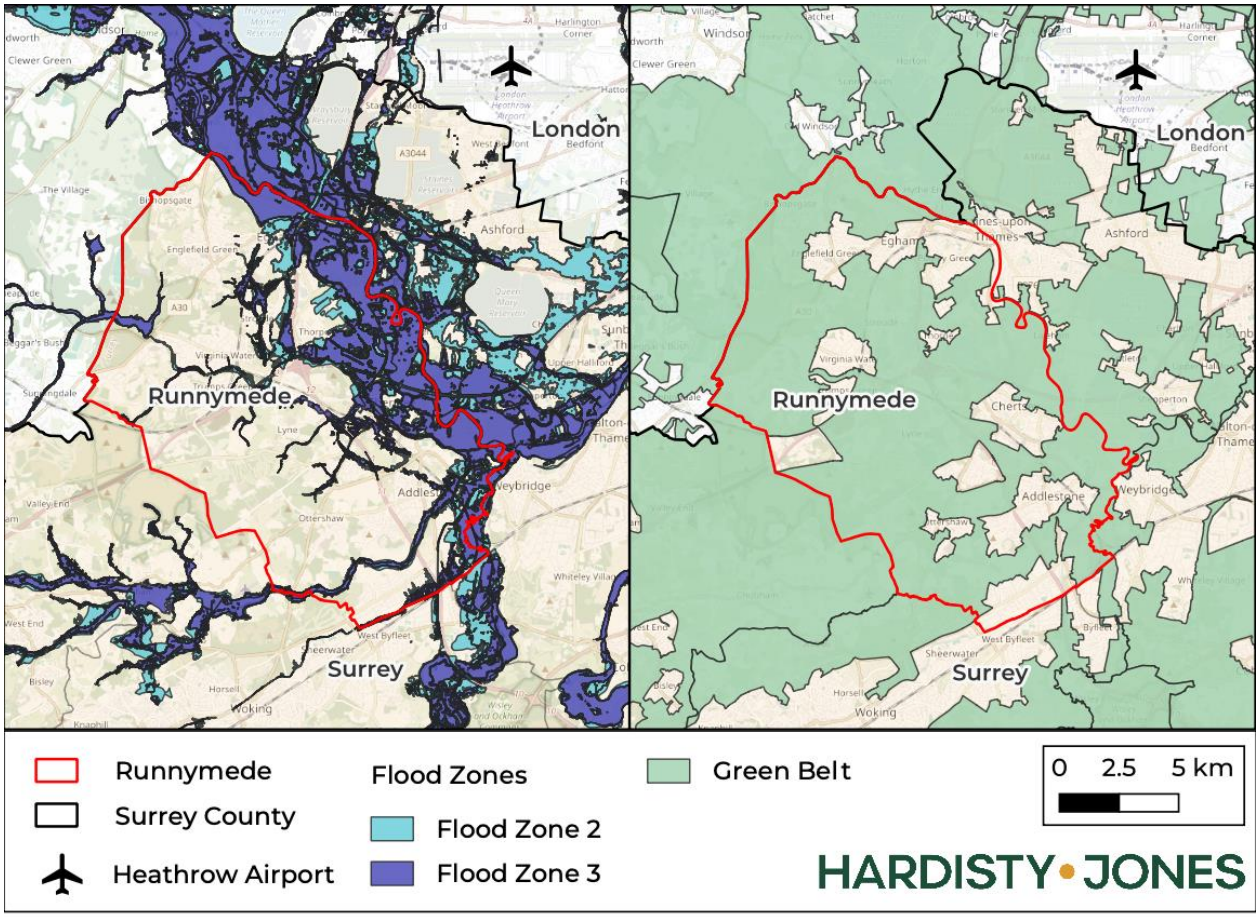
2.10 Runnymede was assessed to have a strong representation of high technology companies and research facilities, and an increasing cluster of businesses in the information and communications sector.

2.11 The FEA report identified factors that may affect future economic growth in Runnymede:

- Extensive Green Belt (approximately 79% of its area was within the metropolitan Green Belt at the time of the FEA report's production), heritage and flood risk factors, which potentially limit the supply of new employment sites, and the ability of existing businesses to expand their sites/premises;
- High housing costs;
- High wage levels in London and other nearby areas which result in high levels of out commuting, potentially limiting local labour supply;
- Potential competition from larger economic centres nearby: and,
- Competition for land from other types of uses.

2.12 Figure 2.2 shows the flood risk and Green Belt coverage in Runnymede.

Figure 2.2: Flood zone and Green Belt coverage in Runnymede



Source: Hardisty Jones using QGIS (2025). Environment Agency (2025) Flood Map for Planning - Flood Zones. Ministry of Housing, Communities and Local Government (2024) English local authority Green Belt dataset.

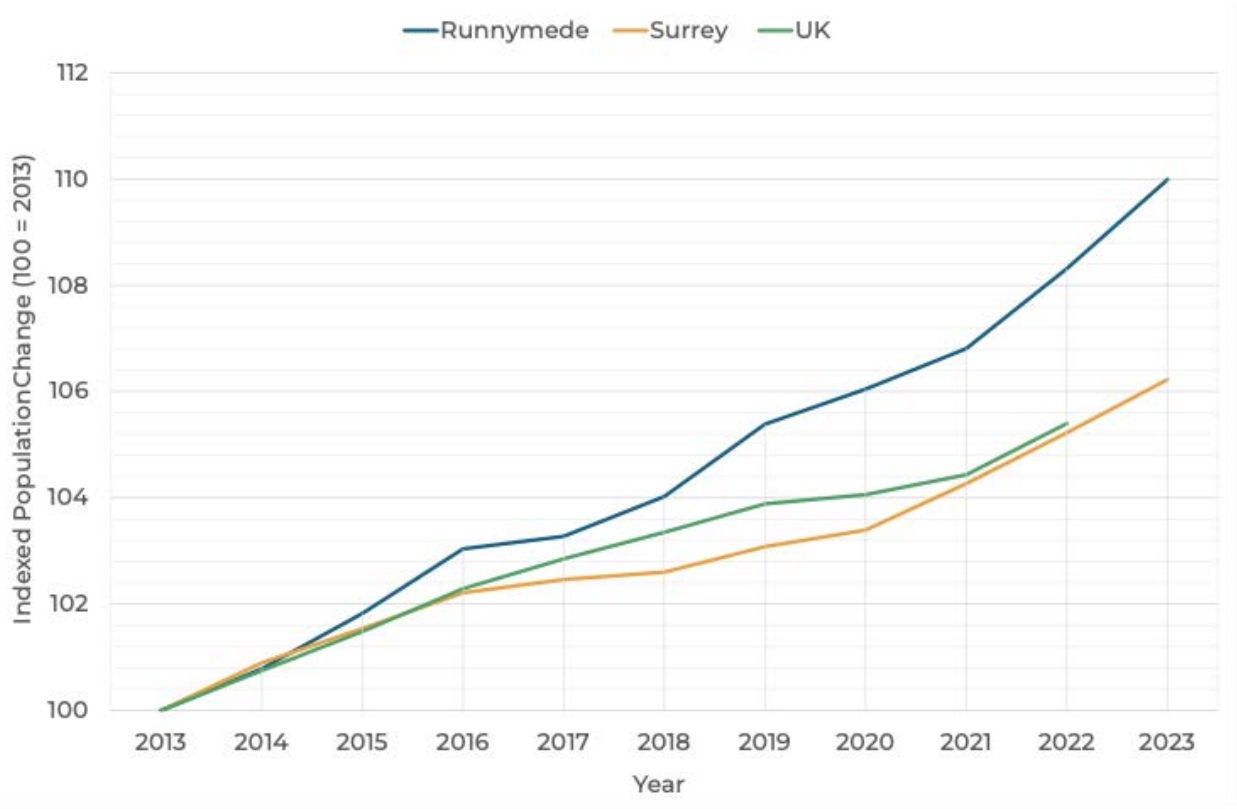
2.13 Data on present day flood risk shows that Runnymede is susceptible to flooding, with a proportion of its land being classified as being in flood zone 2[1] or flood zone 3[2]. Current data on Green Belt land shows that this still covers a high proportion (74%) of Runnymede. Both these factors place constraints on Runnymede's growth prospects.

Socio-economic baseline

Population and economic activity

2.14 In 2023, the population of Runnymede was 90,400, making up 7.4% of Surrey's population[3]. Over the ten-year period 2013 to 2023, the population of Runnymede increased by 8,200, at an average annual growth rate of 1.0%. this is higher than the growth rate in Surrey (0.6%) and UK[4] (0.6%) over the same period.

Figure 2.3: Indexed Total population change in Runnymede and comparators (2013 to 2023[5])



Source: Office for National Statistics (ONS) (2025). Population estimates.

[1] Flood Zone 2 – Land having between 0.1% - 1% (1 in 1000 and 1 in 100) annual probability of flooding from rivers or between 0.1% - 0.5% (1 in 1000 and 1 in 200) annual probability of flooding from the sea, or accepted recorded flood outlines
[2] Flood Zone 3 – Areas shown to be at a 1% (1 in 100) or greater annual probability of flooding from rivers or 0.5% (1 in 200) or greater annual probability of flooding from the sea
[3] Office for National Statistics, 2024. Population estimates.
[4] Note data for the UK in 2023 is unavailable so is assessed up to the year 2022 and the average annual growth rate is for a 9-year period (2013-2022).
[5] Data for the year 2023 for the UK is unavailable.

2.15 In 2022, 65% of Runnymede's population was of working age (16-64 years), which is higher than the shares in Surrey and the UK[6].

2.16 In 2023, 82% of Runnymede's working age population was economically active, which is lower than the share in Surrey but higher than the UK share[7]. Between 2013 and 2023, the proportion of economically active in Runnymede has fluctuated above and below the proportion in Surrey. This could be due to factors such as changes in job opportunities and overall population shifts as well as statistical variance.

2.17 Between 2013 and 2023, the average annual growth rate of Runnymede's working age economically active population was higher compared to comparator areas. This indicates over time Runnymede's labour market has seen stronger growth.

Qualifications and earnings

2.18 Qualifications data shows that the proportion of those qualified to NVQ4+[8] in Runnymede (up to 2021, after which this data is no longer published) is above all comparator areas. It should be noted that between 2016 and 2019, the proportion of those qualified to NVQ4+ increased significantly in Runnymede (+23%). Surrey and the UK experienced much lower growth than Runnymede in this time period (+4% and +2% respectively)).

2.19 Whilst there was a change in measuring qualifications the trend has remained the same. Data on RQF4+ qualifications, using an average of 2022 and 2023, showed that Runnymede had a higher proportion of people qualified to this level compared to comparator areas.

2.20 Gross annual median full-time resident-based earnings in Runnymede were £47,100 in 2024, which is above comparators. Resident-based earnings in Runnymede have been consistently higher than the UK average in the period 2014 to 2024. Workplace-based earnings in Runnymede (£42,000 in 2024) were lower than Surrey and higher than the UK average.

2.21 Resident-based earnings in Runnymede were higher than workplace-based earnings which indicates that some residents are commuting to areas outside the borough with higher pay.

Commuting patterns

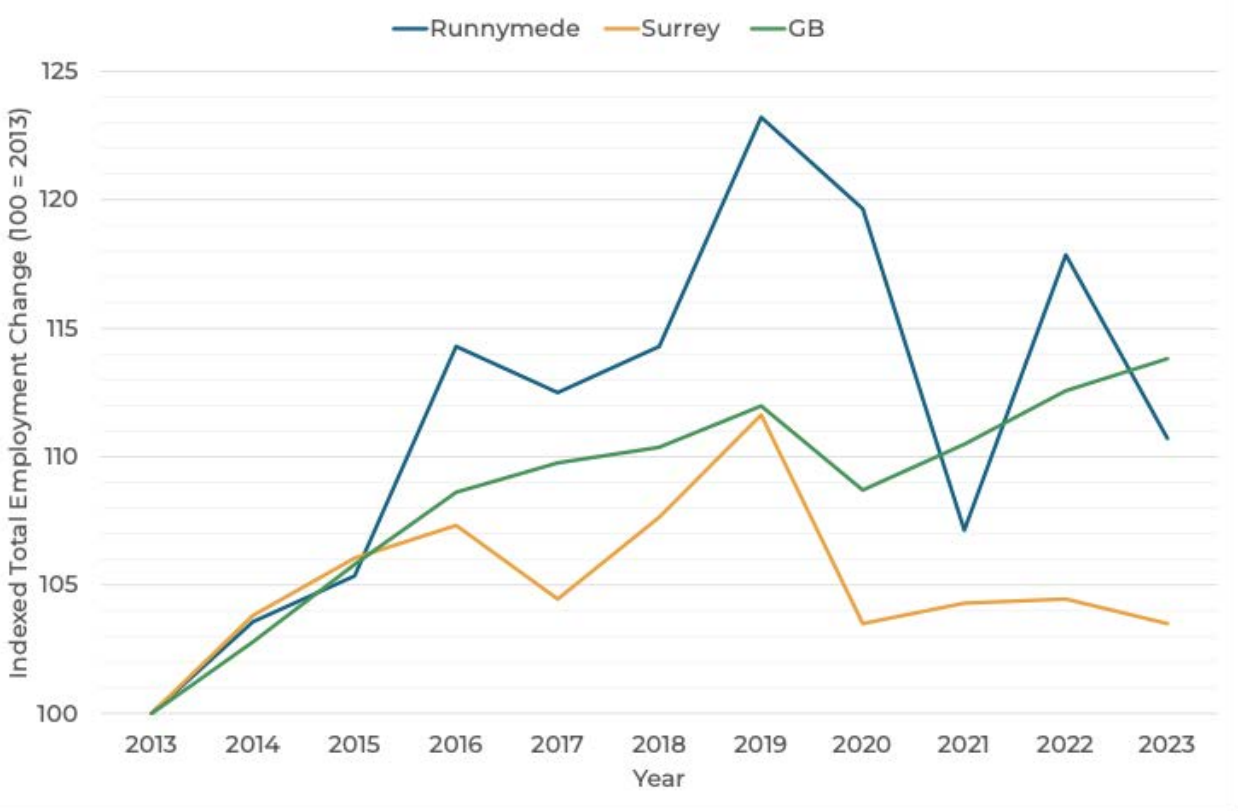
2.22 The 2011 Census provides data on commuting patterns[9]. The 2021 Census data on commuting patterns has not been analysed due to increased levels of homeworking brought about from the COVID-19 pandemic, meaning the data would be less reflective of commuting patterns today. The proportion of people that both lived and worked within Runnymede in 2011 was 39%. Runnymede had a greater number of people commuting into the borough.

[6] The latest year where population estimates data is available for all three areas, Runnymede, Surrey and the UK, is 2022.
[7] ONS, 2025. Annual Population Survey.
[8] Equivalent to an undergraduate degree or above.
[9] ONS, 2011. Census 2011 - WU01UK - Location of usual residence and place of work by sex.

Employment

2.23 According to Jobs Density data10 there were approximately 62,000 people in employment in Runnymede in 2023. Employment count has fluctuated between 2013 and 2023 across Runnymede and Surrey. The COVID-19 pandemic had a key impact on this, with many businesses closing and people being furloughed. Although Runnymede data is more volatile due to the smaller geography, the growth in employment is similar to that seen at GB level and above the Surrey average.

Figure 2.4: Indexed total employment change in Runnymede and comparator areas (2013 - 2023)



Source: ONS, Jobs density (2025)

2.24 The Business Register and Employment Survey (BRES)[11] also provides data on employment[12] which can be broken down by sector. Consistent data is only available dating back to 2015.

2.25 Data has been analysed across 19 sectors that comprise the entire economy. For the purposes of this report the Agriculture, forestry and fishing, Mining and quarrying, Electricity, gas, steam and air conditioning supply, and Water supply; sewerage, waste management

[10] ONS, 2025. Jobs Density
[11] ONS, 2025. Business Register and Employment Survey: open access.
[12] BRES employment excludes self-employed people not registered for VAT/PAYE, along with HM Forces and Government supported trainees

and remediation activities sectors have been combined and are referred to as the 'Primary industries and utilities' sector.

2.26 Whilst the figures contained within this section present analysis of all 19 sectors, the purpose of this analysis is to identify sectors with the most influence on employment land. These are:

- Planning Use Class B2: Manufacturing.
- Planning Use Class B8: Transport and storage, and Wholesale trade.
- Planning Use Class E(g): Information and Communication; Financial and Insurance; Real Estate; Professional, scientific and technical; Administrative and support services; and Public administration and defence.

2.27 The average annual growth rate, hereafter referred to as 'annual growth', over the period 2015 to 2023, has been calculated for each sector. A location quotient has also been calculated for each sector. This is a measure of the concentration of employment within the sector in Runnymede, compared to its concentration within the UK. The higher the location quotient, the higher the proportion of employment present in that sector in Runnymede compared to the national average.

Table 2.1: Top five sectors in terms of employment count (2023), annual percentage growth (2015 to 2023), and location quotient (2023)

Employment count (2023)	Annual percentage growth (2015 - 2023)	Location quotient (2023)
Human Health and Social work activities	Financial and Insurance activities	Information and Communication
Wholesale and Retail Trade; repair of motor vehicles and motorcycles	Human Health and Social work activities	Arts, Entertainment and Recreation
Professional, Scientific and technical activities	Education	Other Service activities
Education	Manufacturing	Human Health and Social work activities
Information and Communication	Arts, Entertainment and Recreation	Education

Source: HJA analysis of ONS, BRES (2025).

2.28 The table shows the top five sectors in terms of absolute employment count (2023), annual growth (2015 to 2023), and location quotient (2023). The table indicates that Human health and social work activities is a key sector in Runnymede, having the highest employment count and placing in the top five in terms of percentage growth and location quotient. Information and communication and Arts, entertainment and recreation sectors also perform strongly.

Gross Value Added

2.29 Gross value added (GVA) measures the economic output of an area[13].

2.30 In 2022, total GVA in Runnymede was £7.2 billion, contributing 14.1% to Surrey's GVA (£51 bn). Between 2012 and 2022, Runnymede's GVA increased by £2.6 million, at an average annual growth rate of 4.6%. This was higher than the growth rate for Surrey (3.2%) and the UK (3.9%) over the same period.

2.31 Table 2.2 presents the top five sectors in Runnymede in relation to GVA (amount), average annual growth and location quotient. The Information and Communication sector is an important contributor to Runnymede's GVA and is the top sector in terms of absolute GVA and location quotient. The Construction and Professional, scientific and technical activities sectors are also strong in terms of GVA contribution in Runnymede as indicated by the table below.

2.32 The presence of various technology company HQs will have a significant positive impact on GVA data for Runnymede.

Table 2.2: Top five sectors in terms of GVA (2023), annual percentage growth (2015 to 2023), and location quotient (2023)

GVA (2022)	Annual Percentage growth (2012 - 2022)	Location quotient (2022)
Information and Communication	Arts, Entertainment, and Recreation	Information and Communication
Professional, Scientific and Technical activities	Accommodation and Food Service activities	Arts, Entertainment and Recreation
Wholesale and Retail Trade: repair of motor vehicles and motorcycles	Information and Communication	Professional, Scientific and Technical activities
Construction	Other Service activities	Other Service activities
Education	Construction	Construction

Source: HJA analysis of ONS (2025) Regional gross value added (balanced) by industry: all ITL regions.

Competitiveness

2.33 The UK Competitiveness Index (UKCI) (2023)[14] provides a benchmarking of the competitiveness of UK localities, measuring their long-run potential to generate economic growth and well-paid employment. In 2023, Runnymede was ranked 9th (UKCI score of 130.9)

[13] ONS (2025). Regional gross value added (balanced) by industry: all ITL regions
[14] Huggins, R., Prokop, D., and Thompson, P., 2023. UK Competitiveness Index 2023. Available at: https://cforic.org/wp-content/uploads/2023/08/UKCI-2023.pdf

for competitiveness out of all local authority areas and was the only locality in the top ten of the UKCI outside of London.

2.34 The report notes that:

> *"Runnymede in the South East remains the one exception to the dominance of London. Similar to Hackney, its success is now centred around high-tech sectors, with services rather than manufacturing dominating".*
>
> (UKCI, 2023. Pg.12)

2.35 These findings are likely to be influenced by the presence of the same HQs that impact on the GVA data noted above.

Business Base

2.36 In 2024, Runnymede had a total of 4,380 businesses[15]. Over the 10-year period 2014–2024, the number of businesses has increased by 525 businesses. In the five-year period 2019–2024, there has been a lower level of growth in the number of businesses, which is similar to the trend in Surrey and the UK.

2.37 Table 2.3 below presents the top five business sectors in Runnymede in relation to business counts, average annual growth and location quotient. The Construction and Administration and support service activities are key sectors, featuring in the top five of all sectors for the three factors assessed. Information and communication, Professional, scientific, and technical activities, and Transportation and storage also contribute strongly to Runnymede's business base.

Table 2.3: Top five sectors in terms of business count (2024), annual percentage growth (2014 to 2024) and location quotient (2024)

Business count (2023)	Annual percentage growth (2014 - 2024)	Location quotient (2024)
Professional, Scientific and Technical activities	Transportation and Storage	Information and communication
Construction	Financial and Insurance activities	Administration and Support Service activities
Wholesale and Retail trade	Construction	Construction
Administration and Support service activities	Real Estate activities	Transportation and Storage
Information and Communication	Administration and Support Service activities	Professional, Scientific and Technical activities

Source: HJA analysis of ONS (2025) UK business counts.

[15] ONS, 2025. Business Counts.

2.38 Over the period 2013 to 2023, Runnymede experienced more business start-ups than business failures, aside from the years 2020 and 2021. In 2020 and 2021 there were more business failures which could have been related to businesses struggling through the Covid-19 pandemic.

2.39 Runnymede is home to many UK, European and Global regional HQ operations for blue chip companies including Samsun, Gartner, Netflix and Salesforce. This underpins the strong Information and Communication sector performance. The presence of such companies highlights the strength of opportunity afforded by Runnymede's strategic location, well qualified workforce and attractive environment.

Summary

2.40 Runnymede benefits from a strategic location on the edge of London, with good connectivity to many parts of the South East via the M25 and M3 motorways. The area's proximity to Heathrow Airport is also a strategic advantage.

2.41 Runnymede's proximity to London presents a notable spatial constraint, by way of extensive Green Belt designations. Flood risk is also a spatial constraint within Runnymede. These factors limit development opportunities in the area.

2.42 The borough's economic indicators are largely positive. The local population exhibits high levels of economic activity, with a trend toward higher employment levels. Residents are generally well qualified, contributing to a skilled labour force. Earnings data is encouraging, and Runnymede's location allows residents to access high-paying jobs in surrounding economic hubs, including central London and the Thames Valley.

2.43 Gross Value Added (GVA) figures for the area are robust, reflecting strong productivity and economic output. Competitiveness indicators also suggest that Runnymede performs exceptionally well compared to similar local authorities. A particular strength lies in its information and communication sector, which is relatively strong. This is positively influenced by significant headquarters operations of key businesses such as Samsung (European HQ) and Gartner (EMEA HQ).

3 Planning Policy Context

3.1 This section sets out the summary messages on the policy and strategy context for economic growth and employment land in Runnymede. More detail is presented in Appendix 2.

National Policy

National Planning Policy Framework (December 2024)

3.2 The National Planning Policy Framework (NPPF) sets out planning policies for England and a framework on how Local Plans and Decisions should ensure effective use of land, providing for sufficient development in a sustainable manner.

3.3 Paragraph 8a highlights that to achieve sustainable development the planning system should have economic, social, and environmental objectives. The economic objective sets out to 'help build a strong, responsive and competitive economy, and ensuring sufficient land to support growth, innovation and improved productivity'.

3.4 Paragraph 11a notes all plans should promote a sustainable pattern of development that seeks to: meet the development needs of the area and align growth and infrastructure.

3.5 Paragraph 16(b) sets out that Plans should 'be prepared positively, in a way that is aspirational but deliverable'.

3.6 The NPPF highlights that effective strategic planning across local authority boundaries will play a vital and increasing role in how sustainable growth is delivered, by addressing key spatial issues including meeting housing needs, delivering strategic infrastructure and building economic and climate resilience (Paragraph 24).

3.7 Paragraph 85 indicates how planning policies and decisions should support existing and future opportunities for economic growth and productivity, creating conditions where businesses can invest, expand and adapt, taking into account both local business needs and wider opportunities for development. Policies should allow areas to build on strengths, counter any weaknesses and address challenges of the future; this is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.

3.8 Paragraph 86 notes planning policies should:

- positively and proactively encourage sustainable economic growth, in line with industrial strategies (at the local and national level[16]);

[16] Particularly, the Invest 2035: The UK's Modern Industrial Strategy (Green Paper) and the identified priority growth sectors: advanced manufacturing; clean energy industries; creative industries; defence industries; digital and technology businesses; financial services; life sciences; and professional and business services.

- set criteria and identify strategic sites, for local and inward investment to meet anticipated needs over the plan period;
- pay particular regard to facilitating development to meet the needs of a modern economy[17];
- seek to address potential barriers to investment; and
- be flexible enough to accommodate needs not anticipated in the plan (including being able to respond to changes in economic circumstances).

3.9 Paragraph 87 states that the specific locational requirements of different sectors should be recognised and addressed, including making provision for:

- clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure required to support growth in these industries;
- storage and distribution operations at a variety of scales and in suitably accessible locations, allowing for efficient and reliable handling of goods;
- the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience.

3.10 Paragraph 124 notes that effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy lifestyle should be promoted.

3.11 The NPPF notes that 'local planning authorities, and other plan-making bodies, should take a proactive role in identifying and helping to bring forward land that may be suitable for meeting development needs, including suitable sites on brownfield registers or held in public ownership' (Paragraph 126) and that 'planning policies and decisions need to reflect changes in the demand for land. They should be informed by regular reviews of both the land allocated for development in plans, and of land availability' (Paragraph 127).

Draft NPPF (December 2025)

3.12 Proposed reforms to the NPPF were published for consultation in December 2025. The proposals increase the support given to economic growth and sets out much clearer policies for planning and decision-making.

3.13 Significant reforms set out in the draft NPPF include:

- Requiring the development of Spatial Development Strategies, establishing a positive vision for future growth and change and providing a clear spatial framework for investment and growth.

[17] Including identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.

- Boosting local and regional economies by giving substantial weight to the benefits of supporting business growth and having regard the Industrial Strategy and any relevant strategic and local strategies for economic development and regeneration.
- Further strengthening the language around the modern economy.

Planning Practice Guidance

3.14 Planning Practice Guidance (PPG) sets out guidance on assessing economic needs and the need for and supply of employment land, which includes preparing a robust evidence base to understand these needs[18]

3.15 PPG states that preparing and maintaining evidence about business needs to be done through liaising closely with the business community and assessing[19]:

- The best fit functional economic market area
- Existing stock of land for employment uses
- Recent patterns of employment land supply and loss
- Evidence of market demand, sourced from local data, market intelligence, surveys, and discussions
- Market signals relating to economic growth, diversification and innovation
- Evidence of market failure.

3.16 PPG states that market signals can be used to forecast future needs and can include[20]:

- Sectoral and employment forecasts (labour demand)
- Assessments of current and future local labour supply
- Analysis of past take-up of employment land and future property market requirements
- Consultations, studies of business trends, understanding of innovative and changing business models, and economic and employment statistics.

3.17 PPG notes that assessing need and allocating space for the logistics sector should be considered as the sector plays an important role in contributing to local economies. Where a need for logistics facilities exists, the scale of need across the relevant market areas should be identified, informed by consultations with logistics developers and occupiers, market signals, economic forecasts, and alignment to economic priorities in policy[21].

3.18 PPG notes it is important to understand specific locational requirements of specialist or new sectors. Through clustering industries such as high tech, engineering, digital, creative and logistics activities, it can support collaboration, innovation, productivity, and contributes to

[18] Paragraph: 025 Reference ID: 2a-025-20190220, Revision date: 20 02 2019.
[19] Paragraph: 026 Reference ID: 2a-026-20190220, Revision date: 20 02 2019.
[20] Paragraph: 027 Reference ID: 2a-027-20190220, Revision date: 20 02 2019.
[21] Paragraph: 031 Reference ID: 2a-031-20190722, Revision date: 22 07 2019.

driving economic prospects of the area in which they locate. Understanding the needs for land and premises of these sectors should be considered[22].

Industrial Strategy

3.19 The Modern UK Industrial Strategy (2025) sets out to tackle barriers to growth, creating the right conditions for increased investment and high-quality jobs across the UK. The Industrial Strategy's goal is to capture a greater share of internationally mobile investment in strategic sectors, and spur domestic businesses to boost their investment and scale up their growth

3.20 The Industrial Strategy identifies eight growth-driving sectors (IS-8)[23] and aims to target the places and clusters across the UK that support those sectors. The ambition includes driving innovation, enhancing skills and access to talent, bringing forward more investible sites across the UK, and strengthening businesses investment.

Local Policy

Runnymede

3.21 The *Runnymede Local Plan*, adopted in July 2020, provides the framework to guide the future development in the Borough of Runnymede. The Plan's vision states that by 2030, "Runnymede will have remained an attractive area for business and innovation with a competitive and high value economy and development of the Borough's Enterprise Zone at Longcross Park." (p. 24).

3.22 The Local Plan sets out the provision of a minimum of 7,507 net additional dwellings and sets out to meet employment needs through refurbishment and redevelopment of designated Strategic Employment Areas (SEAs) for employment uses.

3.23 The Local Plan sets out in *Policy IE1 (Employment allocations)* that Strategic Land Availability Assessment site 51: Byfleet Road, New Haw is allocated for employment use (20,000 sq m of B1c/B8 floorspace) to ensure a range and choice of employment floorspace is available to accommodate the predicted future growth in Runnymede's economy. The policy notes that in addition to the 20,000 sq m allocation, the Council will also consider opportunities for B1(a) or B1(b) office floorspace to be accommodated on the site.

3.24 The Local Plan sets out in *Policy IE3 (Catering for modern business needs)* to attract, retain, create and develop businesses, while promoting business competitiveness. Runnymede Council seeks to:

[22] Paragraph: 032 Reference ID: 2a-032-20190722, Revision date: 22 07 2019.
[23] Advanced manufacturing; clean energy; creative industries; defence industries; digital and technology businesses; financial services; life sciences; and professional and business services.

- Support proposals to upgrade and redevelop outmoded employment space to cater for modern business needs;
- Encourage a range of types and sizes of new employment floorspace;
- Seek to retain, reprovision and support the provision of incubator units, small warehousing units and small serviced office accommodation;
- Support small scale rural offices or other small-scale rural employment development.

3.25 Runnymede's *Economic Assessment* (2023) and *Economic Development Strategy 2022 to 2026* outlines the economic performance and ambitions of Runnymede's economy. The Strategy sets out a vision for Runnymede to continue being a leading economy in Surrey and the wider sub-region, being an attractive place for businesses, residents and visitors.

3.26 The documents note that Runnymede is highly competitive, with the area benefitting from its strategic location (situated near London and Heathrow airport) that facilitates high levels of in-commuting.

3.27 Runnymede has a range of institutions and businesses that place it on the cutting edge of research and innovation, high skill levels. and the borough having established a significant hub of national and international companies (e.g., Netflix, Samsung).

3.28 Key employment sectors in Runnymede are identified as Wholesale and retail trade, Human health, Education, Information and Communication and Transport and Storage sectors.

3.29 Emerging sectors such as creative technologies have seen growth in Runnymede in recent years. The planning policy context highlights the significant investment in digital entertainment by Netflix (in Longcross) and identifies digital entertainment as a significant opportunity for accelerating the growth of 'Createch' in the Borough.

3.30 Challenges identified for the borough include skills shortages, lack of investment in infrastructure, high costs, failure to adapt to automation and low carbon and congestion.

Surrey

3.31 *Surrey's 2050 Place Ambition* sets the collective, long-term ambition of Surrey local authorities to achieve good growth. It emphasises the need for ongoing cooperation and alignment in development and infrastructure investment in the County. The report sets out a number of aims including supporting housing delivery and protecting strategically important land and premises where appropriate.

3.32 The *Surrey Economic Growth Strategy 2025-2030* and the *Surrey's Economic Future: Forward to 2030 Our Economic Strategy Statement* sets out to ensure that Surrey continues to retain its position as one of the country's leading high-value and innovative regional economies, building on its economic strengths to contribute to growth across the UK.

3.33 The Strategies highlight growth opportunities for the County, including Surrey's high-productivity growth sectors, the strength in knowledge intensive services, its highly skilled workforce, its strength in innovation and R&D and its infrastructure assets (including universities, anchor businesses, incubators, research hospitals, and science and business parks).

4 Market Conditions Evidence

4.1 This chapter provides a summary of the commercial property market context relevant to the Runnymede area. This draws on a range of published analysis and interviews with commercial agents active in the Runnymede area.

Office market

Regional trends

4.2 The Runnymede area forms part of a much wider office market that can be geographically defined in different ways by commercial agents. Market analysis and commentary can cover Surrey, the Thames Valley, M25 and South East. Whilst covering different geographies, these areas have commonality in that they offer an alternative to central London locations, characterised by lower rents and differing access arrangements and amenity provision.

Significant long-term reduction in office demand

4.3 Commercial agents have reported a significant shift in the South East regional office market over the last 15-20 years. The South East market, stretching from Hammersmith to Reading and Watford to Crawley had annual office take up of around 15 million square feet (1.4m sq m) of floorspace 15-20 years ago. This has now reduced to around 2.5 million sq ft per annum (230,000 sq m). This is a massive fall (80%+) in total demand across the region as occupiers have moved towards more central locations with excellent public transport access and surrounding amenity offers for staff.

4.4 This wider trend has impacted on Runnymede, with much lower levels of occupier demand present in the market than was previously the case.

Permitted Development has heavily reduced supply

4.5 As a result of this shift in the pattern of demand, the market aggressively responded to the introduction of Permitted Development rights. This ability to change office buildings to residential use has reduced the volume of office stock across the South East office market.

4.6 Agents report that the Runnymede area has been particularly affected by Permitted Development, with town centre office stocks hugely reduced. This has led to a loss of critical mass in towns such as Egham and Chertsey, which were once important office locations within the regional market. This has happened to such an extent that they are no longer considered office locations and it is believed the combination of demand and supply side changes mean they are unlikely to return as significant office locations in the future.

Demand returning following the pandemic

4.7 The COVID-19 pandemic had a very significant impact on office markets with the enforced requirement to work from home. This has accelerated a number of changes to working practices. At the time of the pandemic there was clearly a very significant drop in market activity. Across the South East regional office market there has been a return to demand for office space, with 2023 noted as recording the highest levels of office take up since 2019, 30% above the 10 year average (LSH, 2024). This uptick included a return of larger transactions, as well as a higher volume of deals overall. This pick up is consistently reported by commercial agents' analysis.

More settled position on hybrid working and working practices

4.8 There is now greater evidence on the return to the office since the pandemic. There is broad agreement that hybrid working is here to stay in office-based sectors, with larger employers the most likely 'hybrid adopters' (JLL, 2024). The majority of businesses are settling around three days per week in the office (LSH, 2024), although there are examples of companies requiring four- and five-day attendance and some willing to accept lower office attendance. The drift has generally been towards increasing amounts of time in the office, and this may continue to creep up over the coming years.

4.9 There are reports that demand in the office sector is rebounding, with take up levels recovering in many markets. However, the nature of requirements is different to the pre-pandemic period. The picture remains complex with opposing forces at work.

- There is some evidence that offices are de-densifying in terms of how spaces are occupied (i.e. more space per worker). This is reflected in updated guidance from the British Council of Offices, increasing the minimum space per employee from eight square metres to 10 sq m (BCO, 2025).
- With fewer workers in the office on a day-to-day basis this is causing some occupiers to reduce their footprints. There is also a strong emphasis on flexibility (Savills, 2025).

4.10 There are some reports that suggest minimal impact on overall levels of demand due to the ongoing need to accommodate peak occupancy (NatWest, 2025). This reflects the focus on using office attendance to drive interaction and teamwork. Where occupiers are requiring all staff to be in the office on certain days there is a need for sufficient space to accommodate the whole team, even if space is lying vacant at other times during the week.

4.11 However, research by LSH found that 41% of survey respondent organisations had reduced office occupation compared to five years earlier, 37% were broadly unchanged and 22% had increased their requirement. The largest employers are more likely to be the occupiers looking to either reduce or expand their office space.

4.12 Overall, there is something of a mixed picture, and there isn't a common response that can be applied across all office occupiers. On balance the pressure on office requirements is slightly downward, but not to the extremes that may have been anticipated at the height of the pandemic.

4.13 Local agents have reported that the prevalence of homeworking appears to be greater in out of London office locations. This has impacted on office occupancy levels in and around Runnymede and the downward pressure on demand appears to be stronger.

Continued 'flight to quality' but limited supply

4.14 The over-riding message from across the market analysis is of the need to provide the best quality stock in order to attract occupiers. The 'flight to quality' as it is typically referred to, is being driven by both the need to offer exceptional working environments to staff in order to attract them to the office and retain them within the organisation, but also to demonstrate the ESG (environmental, sustainability and governance) credentials to clients. As well as the quality of the premises themselves, this also relates to the setting, providing excellent amenities and public transport access for workers in the immediate vicinity. Agents often refer to 'prime' supply where Grade A stock is coupled with excellent amenity and strong environmental credentials.

4.15 Locations that can offer prime supply are the best performing, and delivery of new prime space is acknowledged as a key stimulus to market activity. However, there is insufficient prime stock, which is leading to occupiers being willing to pay a substantial premium for the very best space, and record rents being recorded in many sub markets across the region.

4.16 It is reported that Grade A space now accounts for around two thirds of demand, whereas it was less than half pre-pandemic. This is continuing the locational shift that was present pre-pandemic with a strong occupier and investor focus towards central locations and increasing weakness in out of town markets and secondary locations.

4.17 Where there is insufficient prime Grade A stock, demand will be weaker as occupiers look elsewhere to achieve the product that meets their requirements. This is reflected in markedly lower vacancy rates for prime Grade A space in comparison to secondary supply. In short there is a mismatch between supply and demand in many areas at present.

Challenging environment for secondary stock and secondary locations

4.18 The trend towards prime and Grade A space presents a challenge for poorer quality, secondary stock which is subject to much lower levels of demand, particularly in secondary locations with poorer surrounding amenities (including the wider Heathrow area where rental growth is not forecast[24]). LSH indicate accelerated obsolescence of poorer quality office

[24] Note: the market report was prepared prior to the UK Government announcement clarifying Heathrow expansion plans.

buildings and state 'a bleak picture for second hand space' with high void rates, stagnating rents and a need for very generous incentive packages. It is anticipated there will be a need for major refurbishment, or pressure for change of use.

4.19 In respect of refurbishment, there are stricter Minimum Energy Efficiency Standards (MEES) looming which may encourage upgrading of stocks, sometimes referred to as a 'fright to quality'. However, this is likely to occur only where there is a realistic prospect of take up, and viability will be a key decision factor.

4.20 Change of use could be pursued widely, continuing the longer-term trend in many South East markets. It is reported that in some areas as much as 20% of standing stock is at risk of change of use, potentially through Permitted Development.

4.21 In Runnymede, there has already been a substantial loss of stock, but the wider trends clearly point to significant risks to both demand and supply in the future.

Local trends

4.22 With excellent strategic access via the M25, and in close proximity to Heathrow airport, the Runnymede area has historically attracted a range of corporate occupiers in addition to locally derived demand.

4.23 Within its local market area Runnymede sits in an area of search that also includes Spelthorne (Staines-upon-Thames) and Elmbridge (Weybridge). It was noted that occupiers would comfortably look across that geography, and often wider still to Woking. Commercial agents identify Staines and Woking as the strongest office locations across this sub-area with rents in Staines indicated to be generally £2-3 per square foot (psf) higher than Runnymede locations. This is also reflected in greater discussion of the Staines and Woking markets in regional reports, with very limited reference to Runnymede locations. Faster train connections from Woking and Staines to London, as well as stronger amenity offering give them a significant competitive edge. Overall, agents indicated there is fairly limited choice available to occupiers across this sub-area, but alongside this there is limited demand.

4.24 Runnymede retains a number of anchor occupiers including Samsung, ADP and Compass Group. There are some locations which continue to perform well including Lotus Park, Causeway Park, Hillswood Office Park, Bourne Business Park and Hanworth Lane. However, as noted above, the Runnymede office market has reduced in scale significantly over the last 15-20 years, with Permitted Development hugely reducing the supply of office floorspace. This is a trend that has also been present across neighbouring areas but agents noted Runnymede has been particularly hard hit. This is in part driven by the wider market shift towards larger city centre locations and exacerbated by local patterns. This has led to the towns of Chertsey, Egham and Addlestone all losing critical mass in terms of office supply to the point that local agents indicated they are no longer able to effectively compete as major

office locations. There has also been a shift in balance of office to other commercial uses in some of the business parks.

4.25 It was noted that whilst occupiers may not request the Runnymede towns by name when determining areas of search, the area would continue to be considered by occupiers setting parameters around Heathrow, Staines or M25 junctions. However, the lack of availability means there is not a great deal to offer occupiers, and the tone of the towns doesn't always suit, particularly with change of use now siting office buildings adjacent to residential uses.

Regional trends visible at a local level

4.26 The large regional trends remain visible at a local level. Hurst Warne (2023) report improving take up since the pandemic, but the level of activity remains below medium-term averages. Vacancy rates are increasing and sit above medium-term averages; and the amount of floorspace under construction is also low.

4.27 Looking at the Staines and Chertsey market area in particular Hurst Warne (2023) report headline prime rents are around £36 psf, lower than Weybridge and Woking. Grade A availability is indicated to be 106,000 sq ft, down by 28% year on year with Grade B availability at 163,000 sq ft, up by 27% on the previous year. This demonstrates the wider trends of a tightening in the market for Grade A space and weakening in demand for Grade B space leading to increasing supply, despite continued moves for change of use. Vacancy was reported at 7.2%, a slight increase from the previous year.

4.28 There is reported to be demand for best-in-class space, in line with the general 'flight to quality'. However, it was reported that Staines provides a much stronger amenity offer, as well as better rail access to other key centres in comparison to Runnymede locations. It was noted that for the best quality space that is well located occupiers are not particularly rent sensitive. Agents cited a recent deal in Guildford town centre at a rental of £47.50 psf for high quality space, whilst edge of town space is proving very challenging to let. This was set against a quoted prime rent of £37.00 in the Hurst Warne 2023 analysis. It is therefore very hard to compete on price, as the market is heavily skewed to quality drivers.

Development viability a real challenge

4.29 Office development viability in Runnymede is reported to be very challenging, underpinned by the patterns of change in both demand and supply. Yields have moved out meaning even if substantial rental growth was to be achieve it would have limited impact on overall viability. A key issue is that rents have not kept pace with inflation over the long term in the M25 market area. One example was cited of rents in the area being very similar to those quoted 25 years ago.

4.30 With limited demand there are also real challenges in securing the required investment from landlords to refurbish and upgrade existing stocks. Agents reported the potential risk of long vacant periods, short leases, low rents and the need for incentives mean that the capital investment just doesn't stack up commercially.

Potential for further change of use

4.31 Agents suggested there is potential for some further repurposing of secondary business parks towards more industrial uses. It was noted that the best-in-class business parks in the South East (e.g. Green Park) were retained in single ownership which has allowed strategic development and investment in amenity uses to remain successful. This is harder in multi ownership environments. It was also noted that some single user office campuses may look to redevelop for residential uses if they are no longer retained for office use. Clearly this would depend upon the policy environment and commercial context at the time.

Runnymede summary and future opportunities

4.32 Overall, the data is showing a challenging picture for both supply and demand in Runnymede. Local agents feel the market has moved significantly away from the Runnymede town centres as competitive office locations. However, the remaining business park locations which are strongly performing have the potential to continue to succeed. The focus should therefore be on further refurbishment and small-scale expansion where appropriate.

4.33 The overriding message is that occupiers won't accept second best accommodation and will choose better quality ahead of cost. To compete it is essential that space is Grade A and offering supporting amenities wherever possible. It was also noted that there are potential opportunities for some smaller office suite developments that provide 2,000 – 5,000 sq ft premises with their own front door. The challenge at present is the viability metrics do not support development.

Industrial and Logistics Market

Regional and national trends

4.34 The industrial and warehousing sector has been the strongest performing sector in commercial property in recent years. This has been significantly fuelled by the logistics sector, accounting for 80% of demand. As with the office sector there has been a drive towards high quality space with strong ESG credentials, as well as a focus on prime locations, with slower activity levels in non-prime locations.

4.35 There is wide acknowledgment that there was a pandemic and Brexit driven peak in demand for logistics space in the period 2020-22. This led to a glut of speculative building.

This is now widely regarded to have been exceptional when set against the longer-term backdrop. There has been a slowdown in occupier demand in 2023-24, partly driven by the relatively volatile economic context as well as mergers and acquisition activity in the logistics sector. In combination this has led to a rise in vacancy levels in the logistics sector within the UK. There are reports that it is now taking longer to get deals over the line and longer void periods. However, it is also widely reported that fears of oversupply are misplaced.

4.36 It is also widely recorded that the long-term fundamentals of logistics demand in the UK remain. Whilst take up levels have slowed in the last couple of years demand remains robust, the market remains positive but is trending back towards levels that were considered normal before the pandemic.

4.37 Increasing vacancy as the market readjusts has led to a slowdown in speculative development and it is widely anticipated that vacancy rates will peak in 2025 as excess supply is taken up. This pattern is fairly typical of the lumpy nature of commercial property development, particularly in logistics space given the large floorplates involved. Current vacancy levels are reported to be 6-9% in the South East, with some variance depending on the agency reporting the figures.

4.38 The strong rental growth that was evident in the boom period has slowed, but growth is still present. Knight Frank report 7% annual rental growth in 2024 within the London and South East market (Knight Frank, 2025).

4.39 Key market trends, in addition to the move towards premises with strong ESG credentials, include discounting sites which restrict trading hours or where other planning restrictions are in place. There is also some evidence of footloose occupiers making moves out of Greater London towards more peripheral locations on affordability grounds. Knight Frank (2025) note the majority of activity has been in outer M25 locations and it expects these areas to continue to perform well.

Local trends

4.40 Whilst Runnymede has not recognised as a significant industrial location, local agents report that there is industrial demand present, although like the wider regional and national trends this has dropped a little in the last couple of years. This is a pattern that is broadly true across the wider Runnymede and Spelthorne area.

4.41 Thorpe Industrial Estate is highlighted as a very successful large employment area in Runnymede. This hosts a mix of companies and is reported to always have very low vacancy. Despite this, Runnymede Council report Permitted Development Prior Approvals coming forward in this location.

4.42 In comparison to the office market viability metrics are better for industrial. It continues to be an attractive asset class to investors and there has been strong rental growth, with rents now in the region of £27psf. As a result, some office parks are being repackaged for industrial uses. Recent redevelopment at Causeway Park has increased the volume of industrial development within the area.

Future prospects

4.43 Agents see a more positive picture for industrial demand than office demand. There are potential opportunities for small scale expansion of existing successful locations such as Thorpe Industrial Estate and Hanworth Lane. It is noted that some industrial locations are fairly constrained, with Green Belt a potential issue, so there will be a need to encourage continued regeneration and refurbishment.

4.44 Heathrow expansion may lead to increased demand, particularly if there are improved southern access routes. Runnymede currently hosts a number of companies that offer ancillary services to Heathrow, and there is potential for this type of activity to increase to service a larger Heathrow operation. There are also potential opportunities with footloose companies moving out from London looking for cheaper space.

Summary

4.45 In contrast to the very positive socio-economic indicators, the commercial market position is characterised by local agents as much weaker for Runnymede.

4.46 Whilst Runnymede retains a number of key HQ operations for technology companies as well as other blue chip occupiers such as Netflix, the general picture presented by commercial agents active in the market is of a weakening office market. This is heavily influenced by much wider market trends (accelerated by the COVID-19 pandemic) pushing office occupiers towards larger city locations, and areas that can offer Grade A space alongside excellent amenities. Coupled with this, Runnymede has been subject to significant pressures through the Permitted Development rights regime which has resulted from policy decisions made at Government level. This has reduced the level of office stock on Runnymede towns and is reported to have removed the critical mass required to effectively compete. When set against a very challenging development viability context agents see the future focus for office activities as retaining, refurbishing and incremental growth, rather than large scale development opportunities.

4.47 Whilst Runnymede is not recognised as a primary industrial or logistics location, this market segment is performing more strongly nationally, regionally and locally than the office market. This is leading to some former office locations to be repurposed for industrial and warehousing. There are also potential opportunities arising from London occupiers moving outwards to find more affordable space and the planned expansion of Heathrow airport.

Commercial agents have indicated potential opportunities to provide some expansion to existing strongly performing industrial areas where policy and environmental constraints allow.

5 Economic Growth Forecasts

5.1 This chapter sets out a summary of the economic and employment forecasts for Runnymede and the economic sectors within it. Forecasts are compared with historic estimates to provide a comparison, and have also been benchmarked against the South East region and the United Kingdom (UK).

Interpreting the data

5.2 Economic forecasts have been purchased from Oxford Economics (OE) and Cambridge Econometrics (CE). These are two of the leading economic forecasters in the UK for local and regional indicators.

Historic estimates

5.3 The forecasts provided by OE and CE include historic estimates of economic performance. There are observable differences between the economic estimates presented by each forecaster. Different sources can arrive at varying employment estimates due to several key factors. This is due to a number of factors including:

- Proprietary methodologies.
- Periods of economic change: during the historic period reported in this chapter (2003–2023), the UK has experienced a global financial crisis (2007–2008), the Brexit vote and the process of formally leaving the European Union (2016–2021), and the COVID-19 pandemic (2020–2022). These were significant economic shocks that will have influenced the collection of employment data in different ways.
- Sector classification: the UK Standard Industrial Classification of Economic Activities (SIC) 2007, or SIC07, was introduced on January 1, 2008. This change will have affected alignment with employment data before 2008, which may have been accounted for in different ways according to different data sources.

5.4 It is therefore important to remember when analysing historic employment data that variance between sources does not indicate the data is unreliable, but instead that multiple factors have an influence on estimates.

Forecast estimates

5.5 For estimating future economic performance, forecasters can rely on different data sources, such as government statistics, industry surveys, or proprietary data. This can influence the baseline figures used for forecasting future trends.

5.6 Different forecasters make different assumptions about economic variables such as Gross Domestic Product growth, inflation, interest rates, and global and national economic

conditions. These assumptions shape how each forecaster views the future, at times leading to different projections.

5.7 It is therefore important to remember when analysing employment forecast data that variance between sources does not indicate the data is unreliable, but instead that multiple approaches to modelling future employment can be used. This makes the use of ranges and scenarios most appropriate for reporting purposes, to avoid presenting evidence with a spurious level of accuracy.

5.8 It is also useful to observe future employment forecasts against the backdrop of historic performance. The charts throughout this chapter (and Appendix 4) demonstrate that employment has historically fluctuated in every sector across the economy – at both the Runnymede and UK levels. Therefore, whilst future employment forecasts tend to appear reasonably linear in comparison, this is unlikely to be the reality.

5.9 The above means that scenario testing and future monitoring are key components of economic and employment land planning, by providing means of adapting to uncertain future outcomes.

Headline Economic Performance

5.10 The following analysis considers:

- Historic performance over the longer-term period from 2003 to 2023, based on ONS data.
- Pre-Plan estimates over the period 2013–2028, based on OE and CE estimates.
- Future estimates over the period 2028–2043, based on OE and CE estimates. future forecast period of 2028 to 2043.

5.11 Whilst a level of national and local economic development policy and activity is inherent in these forecasts, they are not developed with explicit reference to future local policy or known local investments. This also influences estimates of historic economic performance. Data can be gathered using a variety of methods, each with its own strengths and limitations.

5.12 There is a need to consider whether forecasts should be termed 'policy on', 'policy off', 'baseline', or 'business as usual'. Each of these terms has helpful and unhelpful connotations. Nevertheless, there is a need to clarify the terminology used within this report. We therefore clarify the following:

- The original forecasts provided by the forecasting houses (CE and OE respectively) are referred to in this report as 'baseline' forecasts. This enables them to be compared with any adjusted scenarios that are considered.
- The forecasters' 'baselines' draw on the historic economic performance of the area as one of their forecasting metrics. They also draw on detailed analysis of national and sectoral performance potential. The forecasts are therefore not developed assuming a policy

vacuum. Whilst they are not developed with explicit reference to future local policy or known investments, the historic period on which they draw will include efforts from national, regional, and local economic development stakeholders to deliver a prosperous economy. A level of economic development activity is therefore inherent in these forecasts.

5.13 Set out in this section is an analysis of:

- Total employment – a measure of total jobs including employment and self-employment.
- Gross Value Added (GVA) – a measure of economic output.

5.14 As a result of small discrepancies in the way data is modelled by the two forecasters, the charts below use an indexed analysis rather than absolute values. This ensures the two datasets align in 2028, making it easier to observe any divergence between different scenarios.

Interpreting Index Charts

Index charts establish a common starting point and examine the percentage changes from that point. Charts in this report are indexed to 2028 (2028 = 100).

Therefore, over the period from 2028 to 2045 higher numbers on the y-axis indicate larger percentage changes. For the period from 2011 to 2028, the lower the number on the y-axis the larger the percentage change from that point up to 2028.

What this means visually is that areas that performed more strongly during the historic period appear as the lower lines on the chart i.e. the rate of growth in these areas was greater.

Total Employment

5.15 Table 5.1 sets out the forecast employment change in Runnymede (2028–2045), compared to long-term (2003-2023) and medium-term (2013-2023) historic ONS data[25].

5.16 Historic employment data (ONS, 2025) presents a relatively consistent level of employment growth in Runnymede, with around 600 additional jobs, or between 1.0%–1.1% growth, per annum.

5.17 The OE baseline forecast estimates are aligned reasonably well with historic performance, indicating around 570 additional jobs, and growth of 0.9%, per annum. The CE baseline forecast estimates are much lower than historic performance, indicating around 370

[25] Source: ONS, Jobs Density.

additional jobs, and 0.5% growth, per annum. This is approximately half the historic annual growth rate.

Table 5.1: Historic and forecast employment change in Runnymede

	ONS		CE	OE
	Historic Longer-term (2003-2023)	Historic Medium-term (2013-2023)	Forecast (2028–2043)	Forecast (2028–2043)
Total	12,000	6,000	5,500	8,600
Per annum	600	600	370	570
CAGR	1.1%	1.0%	0.5%	0.9%

Source: Hardisty Jones analysis based on CE and OE forecasts, and ONS data

Note: Some figures may not sum due to rounding. CAGR is Compound Annual Growth Rate.

5.18 Figure 5.1 below sets out the Pre-Plan and forecast performance for total employment in Runnymede. The South East[26] and the UK[27] are also included by way of comparison.

5.19 CE historic estimates indicate the higher growth rate of the two baseline estimates, aligning more closely with the UK and South East growth estimates. The COVID-19 pandemic resulted in a larger drop in employment in Runnymede compared to the UK and South East averages, with a substantial 'bounce back' effect in the aftermath.

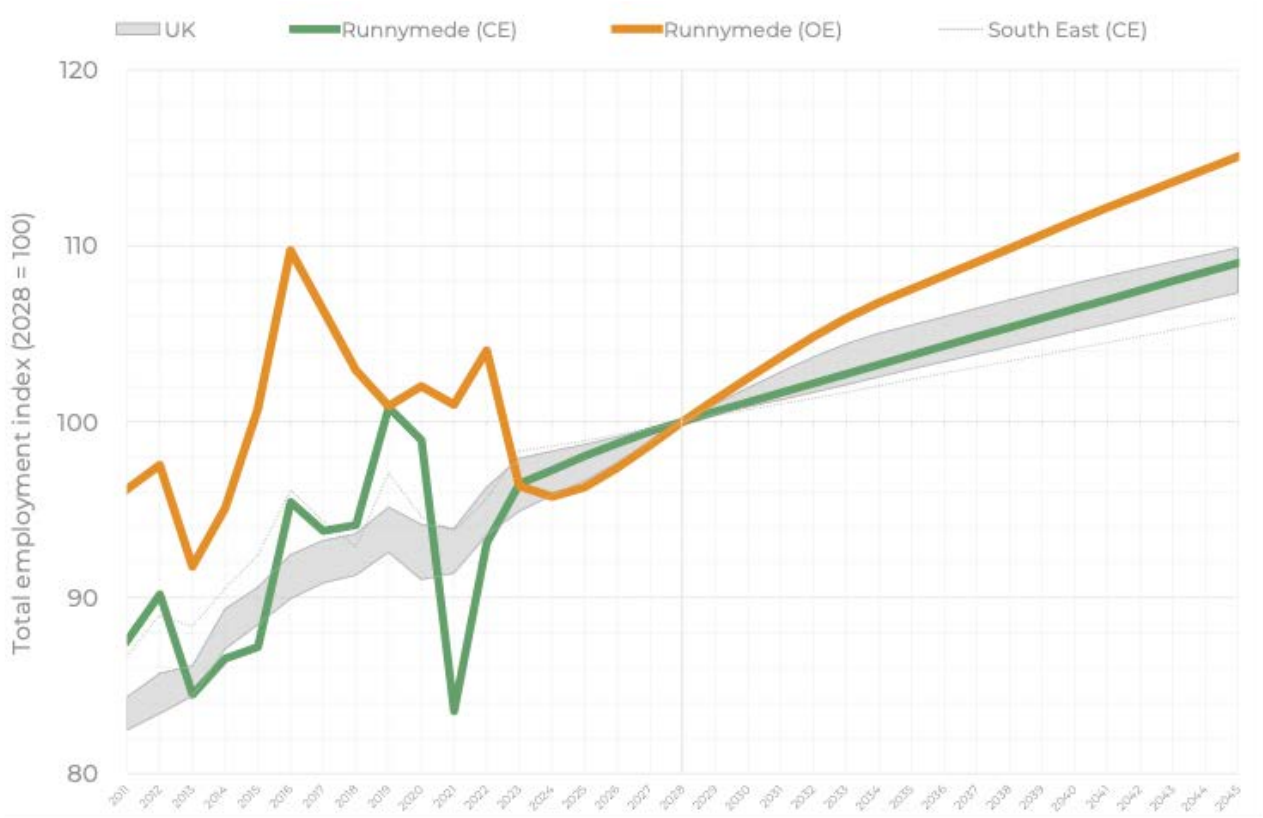
5.20 Both sets of baseline forecasts indicate that 2019 levels of employment (i.e. "pre-COVID") will be re-established around the time of the beginning of the Plan period (2028).

5.21 OE historic estimates indicate rapid growth between 2013–2016, preceding a substantial drop in employment to 2019. It is likely this is related to the effect of the UK's vote to leave the European Union in 2016, and the subsequent economic uncertainty that ensued during exit negotiations. OE forecast estimates indicate this level of employment will not be recovered until around 10 years into the Plan period (2038).

5.22 These estimates suggest that Runnymede is facing the challenge of between 10–20 years of recovery from the economic shocks of Brexit and COVID-19, and their long-lasting employment effects. The initial 10 years of the Plan period (2028–2038), in particular, is likely to be a pivotal stage in this recovery.

[26] The South East is only forecasted by CE.
[27] The estimated rate of change in employment in the UK across both sets of forecasts is presented as the grey shaded area.

Figure 5.1: Pre-Plan and forecast employment change in Runnymede, South East, and UK (2011–2045)



Source: Hardisty Jones analysis based on CE and OE forecasts

Gross Value Added

5.23 Table 5.2 sets out the forecast GVA change in Runnymede (2028-2043), compared to long-term (2002-2022) and medium term (2012-2022) historic ONS data (ONS, 2025).

Table 5.2: Historic and forecast GVA change in Runnymede

	ONS[28]		CE[29]	OE[30]
	Historic Long-term (2002-2022)	Historic Medium-term (2012-2022)	Forecast (2028–2043)	Forecast (2028–2043)
Total	4,400	2,600	2,100	2,500
Per annum	220	260	140	160
CAGR	4.5%	4.3%	1.5%	2.0%

Source: Hardisty Jones analysis based on CE and OE forecasts, and ONS data.

Note: Some figures may not sum due to rounding.

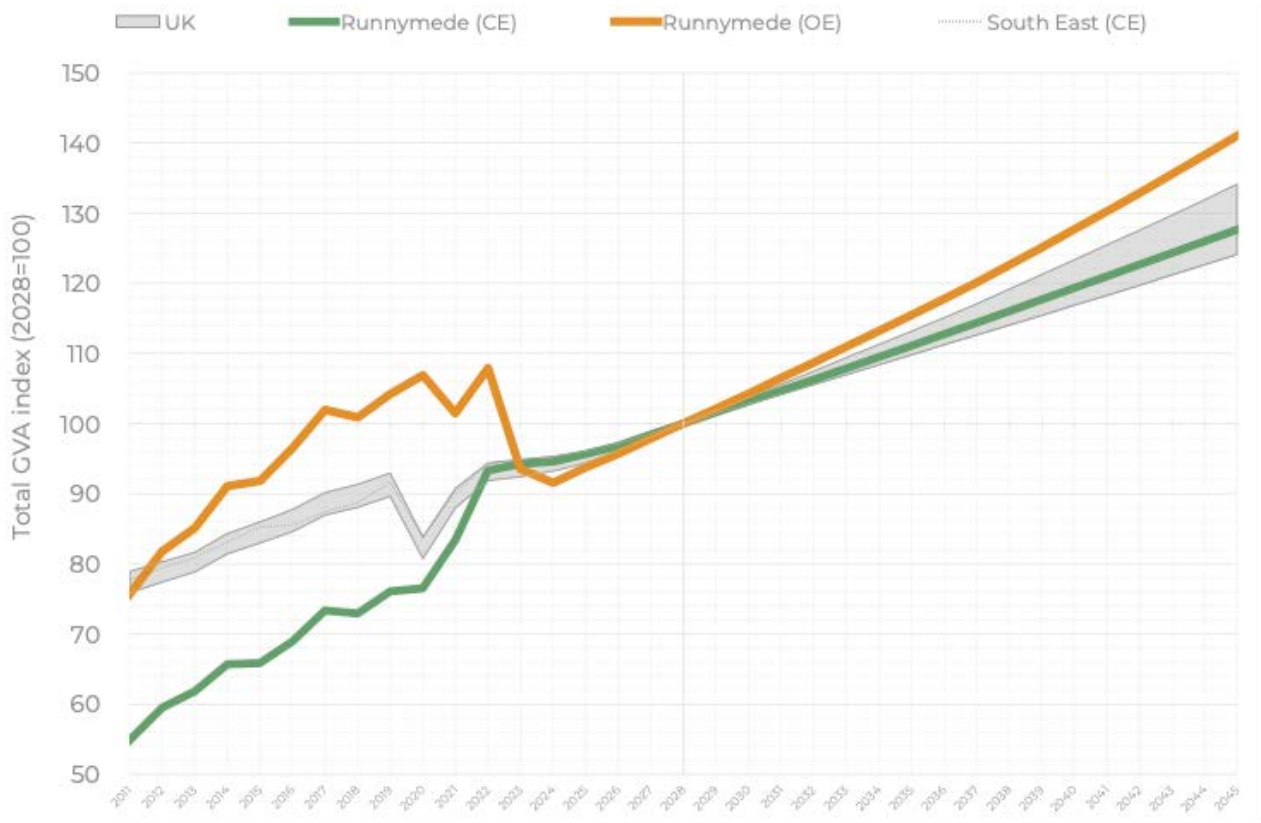
[28] 2022 prices
[29] 2019 prices
[30] 2022 prices

5.24 Historic medium- and longer-term GVA data (ONS, 2025) indicates a relatively consistent level of GVA growth in Runnymede, with around £220–£260 million additional GVA, equivalent to between 4.3%–4.5% growth, per annum.

5.25 Both the OE and CE baseline forecast estimates are much lower than historic performance, indicating around £140–£160 million additional GVA, and around 1.5%–2.0% growth, per annum. This is less than half the historic annual growth rate.

5.26 Figure 5.2 below sets out the historic and forecast performance for total GVA in Runnymede. The South East and the UK[31] are also included by way of comparison.

Figure 5.2 Indexed (2028 = 100) GVA change in Runnymede, the South East (CE only), and the UK (2011–2045)



Source: Hardisty Jones analysis based on CE and OE forecasts

5.27 CE historic estimates indicate the higher GVA growth rate of the two baseline estimates, outperforming the UK and South East growth rates over the pre-Plan period. Unlike employment, GVA in Runnymede saw a substantial increase during the COVID-19 pandemic, including compared to the UK and South East averages. Over the entire Pre-Plan and Plan period, CE estimates continuous GVA growth in Runnymede, with very few instances of flat or declining GVA levels from year-to-year.

[31] The estimated rate of change in GVA in the UK across both sets of forecasts is presented as the grey shaded area.

5.28 OE historic estimates, meanwhile, indicate strong growth between 2013–2020, which outperformed UK and South East growth during the same period. This preceded much weaker performance during the COVID-19 pandemic and its aftermath. The OE forecast indicates the level of GVA estimated at 2020 will not be recovered until several years into the next the Plan period.

5.29 CE Plan period forecasts indicate Runnymede's GVA growth is likely to fall within the estimated range for UK GVA growth rates, while OE forecasts estimate Runnymede's GVA growth will outperform the UK and South East during the Plan period.

Sector Growth Forecasts

5.30 Here we consider the growth forecasts for employment in each of the main sectors of the Runnymede economy which generate the greatest levels of demand for office, industrial, and warehousing and logistics premises[32]. These are reviewed in more detail in Appendix 4. This analysis shows variation in the forecast employment growth in many sectors, which needs to be given due consideration when assessing the future requirement for employment sites and premises.

C: Manufacturing

5.31 Both forecasters estimate **significant levels of decline** in Manufacturing employment, more than any other sector. This is not consistent with the historic ONS BRES data that shows relatively consistent performance in manufacturing employment since 2009, including small increase in manufacturing employment between 2009–2023. This is consistent with UK-level performance – after an observable long-term decline since the 1980s, UK manufacturing employment has been relatively consistent since around 2008/09, with minimal increases and decreases from year-to-year.

5.32 Most Manufacturing employment requires employment sites and premises.

F: Construction

5.33 Both forecasters estimate **significant growth** in Construction sector employment. OE presents a higher growth forecast in comparison to the more modest growth estimated by CE. While the OE forecast is above the anticipated forecast range for Construction employment for the UK economy, the CE forecast falls within the UK range. Both forecasts present lower levels of growth in comparison to the historic employment growth in the Construction sector identified by the ONS.

[32] Therefore, the following sectors are not included in this analysis: AB – Primary industries; D – Energy; E – Water and waste; P – Education; R – Arts, entertainment and recreation; and S – Other service activities. These are reviewed in more detail in **Appendix 3**.

5.34 The Construction sector has a small impact on the demand for employment sites and premises

G (part): Wholesale and retail trade: motor vehicles

5.35 Both forecasters estimate **modest growth** in Wholesale, Retail Trade and Repair of Motor Vehicles sector employment. Both forecasts for Runnymede are in line with the anticipated forecast range for the UK economy. In comparison to the historic employment growth level identified by the ONS, both forecasts estimate lower-level growth in employment over the Plan period.

5.36 Activities associated with sales of motor vehicles typically do not generate demand for employment sites and premises, whilst the repair of motor vehicles does.

G (part): Wholesale trade

5.37 Both forecasters estimate **moderate growth** in Wholesale Trade (excl. Motor Vehicles) sector employment. Both forecasts estimate growth in Wholesale trade (excl. motor vehicles) differing from the decline observed in the ONS historic data. The forecasts for Runnymede are at the upper end of the anticipated forecast range for the UK economy and from around 2038, the CE forecast surpasses the range.

5.38 Employment in Wholesale Trade requires employment sites and premises.

G (part): Retail Trade

5.39 Both forecasters estimate **modest growth** in Retail Trade sector employment. Both forecasts for Runnymede are at the upper end of the anticipated forecast range for the UK economy. The two forecasters suggest slight levels of employment growth in the Retail Trade sector, compared to the lack of growth observed in the historical ONS data.

5.40 This has a small impact on the demand for employment sites and premises.

H: Transportation and storage

5.41 Both forecasters estimate **modest growth** in Transport and Storage sector employment. Both forecasts suggest a slowing of historic growth in Transport and Storage employment. The OE forecast is slightly above the anticipated forecast range for the UK economy, whereas the CE forecast is within the UK anticipated range until around 2039, thereafter being above the UK estimated range.

5.42 Employment in Transportation and storage requires employment sites and premises.

I: Accommodation and food services

5.43 Both forecasters estimate **growth** in Accommodation and Food Services sector employment. While CE modest growth over the Plan period, OE forecasts more optimistic, moderate growth. In comparison to the ONS historic period, both forecasts suggest a slowing of growth in Accommodation and Food Services employment. The OE forecast for Runnymede is above the anticipated forecast range for the UK economy, whereas the CE forecast is below the UK range.

5.44 The Accommodation and food services sector has a small impact on the demand for employment sites and premises.

J: Information and Communication

5.45 Both forecasters estimate **significant growth** in Information and Communication sector employment. The CE forecast estimates higher growth in Information and Communication sector employment than the OE forecast. Both forecasts estimate Information and Communication growth during the Plan period, in contrast to the lack of growth observed in the ONS historical data.

5.46 Employment in Information and Communication requires employment sites and premises.

K: Financial and Insurance Activities

5.47 There is a **divergence** between the two forecasters estimates of employment in the Financial and Insurance Activities sector. The CE forecast estimates modest growth, whereas the OE forecast estimates a modest decline in Financial and Insurance activities sector employment over the Plan period. The CE forecast is above the modest growth level in the anticipated forecast range for Financial and Insurance Activities employment for the UK economy, whereas the CE forecast shows a decline. Both forecasts differ from the growth trend observed in ONS historical data, whereby the CE forecast estimates a negative growth rate, and the OE forecast estimates a significantly more modest growth rate.

5.48 Employment in Financial and Insurance Activities requires employment sites and premises.

L: Real Estate Activities

5.49 Both forecasters estimate **growth** in Real Estate sector employment. While OE estimates modest growth over the Plan period, CE forecasts more optimistic, moderate growth. In comparison to the ONS historic period, both forecasts suggest a slowing of growth in Real Estate Activities employment. The CE forecast for Runnymede is above the anticipated forecast range for the UK economy, whereas the OE forecast is within the anticipated UK-level employment growth range.

5.50 Employment in Real Estate Activities requires employment sites and premises.

M: Professional, Scientific and Technical Activities

5.51 Both forecasters estimate **significant growth** in Professional, Scientific and Technical Activities sector employment. While the OE forecast is within the anticipated forecast range for the UK economy, the CE forecast is in the lower end of the UK range. Both forecasts estimate a reversal of the decline observed in the long-term ONS data.

5.52 Employment in Professional, Scientific and Technical Activities requires employment sites and premises.

N: Administrative and Support Service Activities

5.53 Both forecasters estimate **significant growth** in Administrative and Support Services Activities sector employment. OE forecasts more optimistic growth over the Plan period than the CE forecast. Both forecasts suggest a slowing of growth in Administrative and Support Services Activities employment, in comparison to the lack of growth observed over the ONS historic period. The OE forecast for Runnymede is above the anticipated forecast range for the UK economy, whereas the CE forecast is in line with the lower end of the within the anticipated UK range.

5.54 Employment in Administrative and Support Service Activities requires employment sites and premises.

O: Public Administration and Defence

5.55 Both forecasters estimate **modest decline** in Public Administration and Defence sector employment. The forecasts are slightly less pessimistic than the long-term trend depicted by the ONS data. The CE forecast is slightly more pessimistic than the OE forecast.

5.56 Employment in Public Administration and Defence requires employment sites and premises.

Q: Human Health and Social Work Activities

5.57 Both forecasters estimate **growth** in Human Health and Social Work Activities sector employment. While the CE forecast estimates modest growth in employment, OE estimates a significant growth in Human Health and Social Work Activities sector employment over the Plan period. The OE forecasts is in line with the historic growth levels observed in the ONS historic data whereas CE forecasts are much lower growth. The OE forecast for Runnymede is above the anticipated forecast range for the UK economy, whereas the CE forecast is lower than the anticipated UK range.

5.58 The Human health and social work sector has a small impact on the demand for employment sites and premises.

Labour supply analysis

5.59 Paragraph 027 of PPG states that strategic policy making authorities need to develop an idea of future economic needs based on a range of data which is current and robust. This includes demographically derived assessments of current and future local labour supply.

5.60 To fulfil this requirement, demographic projections produced in Summer 2025 as part of the housing workstream within the HEDNA have been used to generate an estimate of the level of employment that would be required to meet the jobs demand arising from the additional economically active population. This enables the alignment of jobs and homes to be explicitly considered within planning policy development.

5.61 Economically active population projections (provided by ORS in 2025) have been adjusted to account for unemployment, second job rates, and commuting patterns, to provide an estimate of the additional labour supply that will need to be accommodated within Runnymede during the Plan period.

5.62 Table 5.3 sets out a comparison of labour supply estimates with results from the analysis of total employment change within the baseline scenarios.

Table 5.3: Comparison of labour supply analysis (2028–2043) with forecast employment change

	Labour supply estimate (indicative)	OE	CE
Jobs	**~7,600**	~8,600	~5,500

5.63 The number of jobs required to meet demand arising from the additional economically active population is estimated at around 7,600. In relation to the baseline scenarios, this aligns most closely with the OE scenario provided within Phase 2.

5.64 Given the labour supply estimate of employment falls within the range of the two baseline forecasts, a dedicated labour supply scenario has not been tested.

Summary

5.65 OE baseline employment forecasts align reasonably well with historic performance, as recorded by ONS. They are the higher of the two baseline forecasts in terms of overall employment growth and annual growth rates. OE employment forecasts also perform strongly compared to the range of UK employment growth rates predicted by both forecasters.

5.66 CE baseline forecasts are much lower than historic performance and are the lower of the two baseline forecasts in terms of overall employment growth and annual growth rates. CE employment forecasts are within the range of UK employment growth rates predicted by both forecasters.

5.67 Both baseline forecasts estimate much lower GVA growth than historic performance. OE estimates are the higher of the two baseline GVA forecasts, and predict that Runnymede's GVA growth will outperform the UK and South East during the Plan period, and CE Plan period forecasts indicate Runnymede's GVA growth is likely to fall within the estimated range for UK GVA growth rates.

5.68 Whilst it would be a reasonable position at this point to identify the OE forecast as a 'high' growth scenario, and the CE forecast as a 'low' growth scenario, the distribution of growth across sectors will have a substantial effect on the sites and premises implications of each forecast. As such, each forecast will be assessed on its own merits to determine the associated sites and premises requirements, at which point a 'high' and 'low' scenario can be identified.

5.69 Labour supply analysis based on housing and demographic changes during the Plan period provides an indicative estimate of employment growth – this is positioned in between the CE and OE baseline forecast positions. As such, a dedicated labour supply scenario has not been tested further.

5.70 In summary, the two scenarios that will be taken forward for analysis are:

- OE (baseline)
- CE (baseline)

6 Employment Sites and Premises: Demand

6.1 This chapter sets out analysis of the employment sites and premises requirements in Runnymede during the Plan period.

Approach

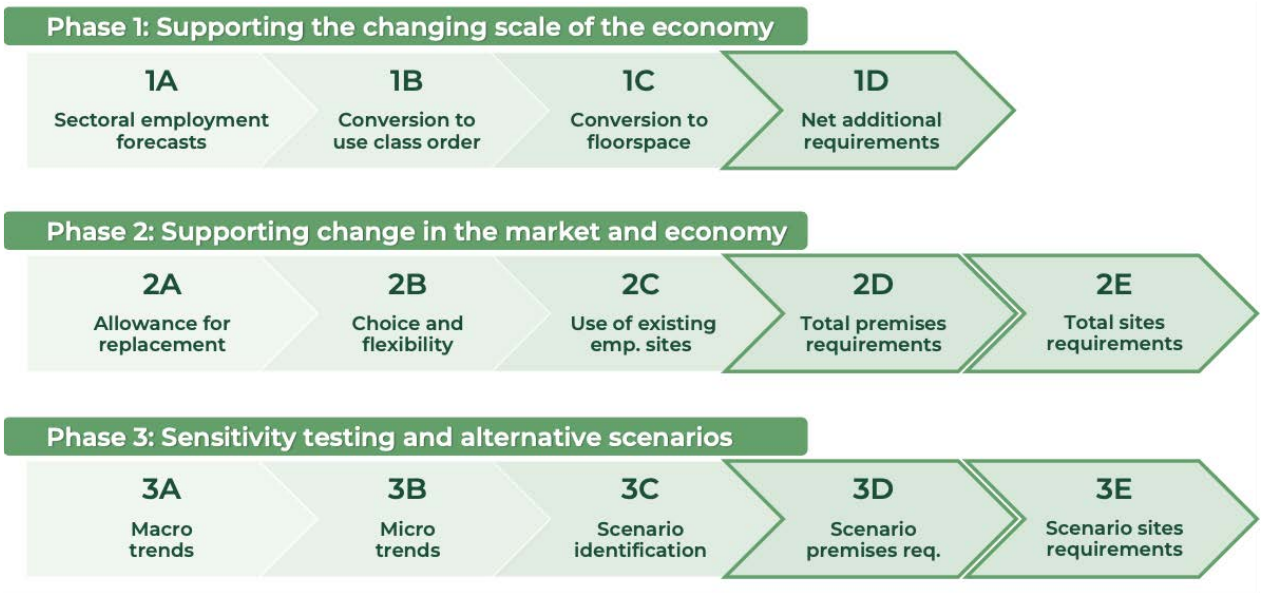
6.2 This analysis firstly draws on the potential economic and employment scenarios for Runnymede presented in Part 1 to identify sites and premises requirements arising as a result of demand related to economic changes to the size and structure of the economy.

6.3 The analysis secondly considers factors which are important in supporting a strong local economy, including replacement, churn and flexibility, and the re-use of existing employment sites.

6.4 Finally, the analysis considers different scenarios. This allows for sensitivity testing of standard approaches within the context of alternative economic outcomes – which is set out in chapter 7.

6.5 Figure 6.1 sets out the structured approach taken to assessing future sites and premises requirements.

Figure 6.1: Hardisty Jones approach to assessing sites and premises requirements



6.6 To inform the detailed assumptions employed within this model, local evidence has been used to ensure the approach is appropriate to Runnymede. These assumptions have been tested through consultations with commercial property market stakeholders.

6.7 Further details of the method are set out within the remainder of the chapter. For ease of reading, all figures are rounded throughout this chapter – as a result, some tables may not sum exactly.

Phase 1: Supporting the Changing Scale of the Economy

6.8 Phase 1 assesses the net additional sites and premises demand resulting from changes to the size and structure of the economy i.e. the growth and decline of particular sectors.

1A: Sectoral Employment Forecasts

6.9 Two baseline employment scenarios have been developed, which are set out in chapter 5. These form the basis of the Phase 1 assessment: Cambridge Econometrics (CE) and Oxford Economics (OE).

6.10 These forecasts have been converted to full-time equivalent (FTE) jobs to ensure employment forecasts align with the floorspace per FTE figures provided in the Homes and Communities Agency's (HCA) Employment Density Guide (3rd edition)[33]. FTE employment forecasts are set out in Table 6.1.

[33] The official status of this guidance is not confirmed. Some sources suggest this guidance has been withdrawn (see 2021 London Employment Sites Database report by CAG consultants). However, no official UK Government announcement on its withdrawal has been made. The same report retains the use of this guidance in the absence of other evidence relating to employment densities for non-office development. As such, the guidance is also retained as part of the evidence informing the preparation of the Runnymede HEDNA.

Table 6.1: Forecast change in FTE employment by sector (2028–2043)

Sector	CE	OE
AB: Primary Industries	0	(10)
C: Manufacturing	(250)	(320)
D: Energy	0	0
E: Water and waste	0	0
F: Construction	570	940
G (part): Wholesale and retail trade: motor vehicles	80	90
G (part): Wholesale trade	220	190
G (part): Retail trade	80	90
H: Transportation and storage	140	160
I: Accommodation and food services	70	240
J: Information and communication	1,900	600
K: Financial and insurance activities	(140)	170
L: Real estate activities	240	70
M: Professional, scientific and technical activities	690	890
N: Administrative and support service activities	560	1,200
O: Public administration and defence	(30)	(10)
P: Education	320	580
Q: Health and social work activities	210	1,900
R: Arts, entertainment and recreation	250	450
S: Other service activities	10	200
TOTAL	**5,500**	**8,600**

Note 1: Figures may not sum due to rounding.

Note 2: Negative values in parentheses.

1B: Conversion to Use Class Order

6.11 Employment change by sector for each scenario is then converted to Use Classes using a conversion matrix. This matrix has been tailored to the Runnymede economy using fine-grained employment data from BRES (ONS). Table 6.2 sets out the employment change by Use Class across the Plan period. This is helpful to understand a number of key points.

6.12 Firstly, employment change is expected to be spread across many use classes and none. Employment is not confined to the E(g)(i), E(g)(ii), E(g)(iii), B2, and B8 use classes (traditionally referred to as 'Employment' Use Classes).

6.13 Secondly, a wide range of different development types need to be recognised as employment generating. As set out in Table 6.2, there are large numbers of additional jobs anticipated within residential institutions (C2), education (F1(a)), retail (E(a)) and Sui Generis (SG).

6.14 Across both scenarios a significant share of growth is forecast in the 'none and homeworking' category. This includes home-based workers who are considered as '100% homeworking' with zero use class order implications (i.e. not hybrid workers). The 'none and homeworking' category also includes workers who work in the workplace of others (e.g. cleaners), or peripatetic workers who have 'no fixed place' of work (e.g. those who work in the Construction sector and are active at multiple sites at any given time).

6.15 The baseline estimates indicate a fall in the number of people employed within B2 General Industrial accommodation, resulting from the continued forecast employment decline in the Manufacturing sector. The baseline forecasts also indicate very limited employment growth in the Light Industrial E(g)(iii) Use Class. Further discussion on forecasting economic changes associated with Manufacturing activities, and the effect on B2 sites and premises forecasting, is set out in Phase 3 Sensitivity testing.

6.16 There are employment gains estimated within the other 'traditional' employment Use Classes, primarily light industrial activities (E(g)(iii)) and Storage and Distribution (B8).

Table 6.2: Forecast change in FTE employment by Use Class (2028–2043)

Use Class	Description	Baseline	
		CE	OE
B2	**General industrial**	**(160)**	**(190)**
B8	**Storage or distribution**	**270**	**250**
C1	Hotels	10	30
C2/C2(a)	Residential institutions	160	1,400
E(a)	Display or retail sale of goods	100	200
E(b)	Sale of food and drink	40	120
E(c)	Financial & professional services	60	30
E(d)	Indoor sport and recreation	70	130
E(e)	Medical or health services	30	250
E(f)	Creche, day nursery/centre	10	120
E(g)(i)	**Offices**	**2,000**	**1,600**
E(g)(ii)	**Research and development**	**140**	**140**
E(g)(iii)	**Light industrial**	**(20)**	**(20)**
F1	Education and non-residential	290	540
F2	Local community uses	30	60
Sui Generis	Excluded from classification	360	610
None and homeworking		1,500	1,500
Total		**4,800**	**5,000**
'Employment' uses only		**2,200**	**2,200**

1C: Conversion to Floorspace

6.17 Floorspace per FTE figures provided in the HCA's Employment Density Guide (3rd edition) are used to convert FTE employment by Use Class to floorspace requirement figures.

6.18 The summary below provides high-level analysis of floorspace by Use Class. All totals are reported as gross external area (GEA).

6.19 The analysis assumes a direct link between employment and floorspace required. It is appropriate to caveat this approach with some important points:

- Firstly, if there is capacity within the existing stock of premises there will be the opportunity to accommodate some employment increases without the need for new space, and vice versa.

- Secondly, if there are changing working practices, the ratio between workers and floorspace could change over time.

6.20 The first of these issues is dealt with by consideration of vacancy and under-utilisation, which has been tested through consultations and commercial market review. No specific evidence relating to under-utilisation has been found. It is therefore assumed that whilst some occupiers may well be under-utilising their current facilities, others may well be operating above capacity. There is also the fact that some stock is unsuitable. Over the course of the plan period there is an opportunity for adjustment. A frictional vacancy rate of 5% to 10% is typical to enable the efficient workings of the market – this is applied during Phase 2 of the analysis. Current reported vacancy levels in Runnymede are in this range.

6.21 The second issue of changing working practices is a significant one, and affects estimates of offices and R&D, industrial, and warehousing and logistic in various ways. This issue is considered in detail within Phase 2 (allowance for replacement) and Phase 3 Sensitivity testing.

1D: Net Additional Demand

6.22 This assessment uses the standard densities set out in the Employment Density Guidance (3rd edition). Any updates to this guidance, or additional evidence of changing employment densities should be monitored in the future.

6.23 Table 6.3 sets out the net additional demand for employment floorspace (Phase 1) across the baseline scenarios (OE and CE).

6.24 The analysis provides an estimate of between 27,000 and 36,000 sq m of net additional office (including laboratories) floorspace demand over the entire Plan period – this equates to approximately 1,800–2,400 sq m per annum. The majority (~75%) of estimated net additional demand for offices is driven by demand for standard E(g)(i) floorspace. Demand for R&D floorspace accounts for approximately 25% of the estimated net additional demand for offices.

6.25 Industrial floorspace requirements derived solely from employment density assumptions provide a more complex picture. The analysis suggests a negative net requirement of between -7,200 and -7,900 sq m. Given the ongoing trend towards automation within industrial processes, the relationship between employment levels and floorspace requirements is weaker for this Use Class. Therefore, further discussion on forecasting economic changes associated with Manufacturing activities, and the effect on B2 sites and premises forecasting, is set out in Phase 3 Sensitivity testing.

6.26 The analysis provides an estimate of between 20,000 and 21,000 sq m of net additional warehousing and logistics (B8) floorspace demand over the entire Plan period – this equates to approximately 1,300–1,400 per annum. PPG identifies logistics uses as a special case for

assessing future need. As such, further discussion on forecasting requirements for B8 floorspace is set out in Phase 3 Sensitivity testing.

Table 6.3: Additional demand for employment floorspace (sq m) 2028–2043 - Runnymede

Use class	CE	OE
Offices	**36,000**	**27,000**
(E(g)(i)) Offices	28,000	20,000
(E(g)(ii)) Research and development	8,300	6,900
Industrial	**(7,200)**	**(7,900)**
(B2) General industrial	(6,100)	(6,700)
(E(g)(iii)) Light industrial	(1,100)	(1,200)
Warehousing and logistics	**21,000**	**20,000**
(B8) Storage or distribution	21,000	20,000

Phase 2: Supporting Change in the Market and Economy

6.27 Phase 2 deals with the need to support the ongoing change in commercial market dynamics through the provision of sufficient employment sites and premises stocks. In particular this includes ensuring any employment stocks no longer fit-for-purpose for a range of reasons (e.g. age, dilapidation or change of use) are adequately replaced.

6.28 Phase 2 considers wider factors, particularly the need to recognise the churn in the economy and the associated need to replace and upgrade property stocks. This can be a particular issue where existing stocks are ageing or where vacant sites are in locations no longer suitable for modern occupiers.

2A: Allowance for Replacement

6.29 The methodology adopted for estimating replacement demand assumes that a proportion of the total existing stock of employment property needs to be replaced each year. This is to ensure the overall stock of premises is sufficient and appropriate for modern needs, in terms of both building quality and site characteristics.

6.30 A replacement allowance seeks to account for commercial buildings at risk of functional or physical obsolescence, or change of use:

- Functional obsolescence: buildings that are beyond their usable life as commercial premises;
- Physical obsolescence: buildings that are derelict to the point it is no longer possible to utilise them for commercial operations; and
- Change of use: buildings that have been subject to change of use to non-commercial uses.

6.31 This analysis of replacement allowance utilises best available industry data to identify current stock levels and inform assumptions. The analysis is based on consideration of the following interrelated drivers of replacement demand:

- Market conditions: stakeholder consultation inputs and agent's assessment of commercial property market conditions, and the demand for employment premises.
- Age of stock: older premises are more likely to become functionally or physically obsolete.
- Heritage: development constraints associated with conservation areas and listed status.
- Quality of stock: lower quality premises are more likely to become functionally or physically obsolete.

6.32 A detailed description of the approach to estimating replacement allowances is set out in Appendix 5.

6.33 For Runnymede, the analysis of replacement drivers identifies appropriate rates to be applied to Runnymede's total stock of floorspace by use type to generate replacement demand over the Plan period, as set out in Table 6.4.

Table 6.4: Runnymede replacement demand during Plan period (sq m)

Use class	Total stock (current)	Replacement demand (per annum)	Replacement demand (2028–2043)
Offices	227,000	1.37%	47,000
Industrial	59,000	1.52%	14,000
Warehousing and logistics	146,000	1.52%	34,000

6.34 In aggregate the replacement demand is far more significant than the needs resulting from net changes in the economy (see Table 6.3).

2B: Choice and Flexibility

6.35 It is necessary to ensure the assessment builds in additional flexibility to allow the normal frictional movement in commercial property markets, and sufficient headroom to provide choice and flexibility for occupiers in search of new premises. Therefore, in line with industry standards, an uplift of **10%** is applied to allow for choice and flexibility.

2C: Use of Existing Employment Sites

6.36 Consideration should also be given to whether development activity takes place on existing employment sites (replacing or substantially refurbishing one building with another on the same plot of land), or whether currently unoccupied land needs to be made available. It is likely there will be elements of both.

6.37 Variation in the number of sites that are reused is generally influenced by the availability of developable greenfield land, in particular sites allocated within a Local Plan. This in-turn is influenced by a number of factors including designations or other local policies and circumstances that limit the supply of greenfield sites.

6.38 Market conditions evidence suggests there will be an increasing move towards upgrading, retrofitting, and refurbishing existing premises for a number of reasons, including viability challenges associated with the development of new premises (especially offices), and occupier preference for premises which meet ESG-driven requirements and standards. The ongoing changes to Energy Performance Certificate (EPC) standards may also lead to increasing levels of upgrading, retrofitting, and refurbishing existing premises.

6.39 Employment sites and premises monitoring data was obtained from Runnymede Borough Council containing all completions data by Use Class over a nine-year period (2015-2024). Based on Hardisty Jones analysis of the historic completions data, a historical rate of replacement was calculated for the average completion shares on sites already designated for employment use(s).

6.40 Based on these factors, it is assumed that an annual average of **60%** of future office, industrial, and warehousing and logistics completions will be delivered on land with existing on-site employment use(s).

2D: Total Premises Requirements

Offices

6.41 Table 6.5 sets out a gross requirement for between 80,000 and 91,000 sq m of additional office premises (including laboratories), and a net requirement for between 32,000 and 36,000 sq m delivered on new sites.

Table 6.5: Estimated future premises (sq m) requirements (offices) – Runnymede

		CE	OE
1D	Additional requirement	27,000	36,000
2A	Replacement demand	47,000	47,000
	Total demand (1D + 2A)	73,000	82,000
2B	Flexibility allowance	7,300	8,200
	Gross requirement (1D + 2A + 2B)	**80,000**	**91,000**
2C	Delivered on existing emp. sites	48,000	54,000
	Net requirement (1D + 2A + 2B – 2C)	**32,000**	**36,000**
	Per annum	**2,100**	**2,400**

Note: Figures may not sum due to rounding.

Industrial

6.42 Table 6.6 sets out a gross requirement for between 6,200 and 7,000 sq m of additional industrial premises, and a net requirement for between 170 and 190 sq m delivered on new sites.

Table 6.6: Estimated future premises (sq m) requirements (industrial) – Runnymede

		CE	OE
1D	Additional requirement	(7,900)	(7,200)
2A	Replacement demand	14,000	14,000
	Total demand (1D + 2A)	5,700	6,400
2B	Flexibility allowance	570	640
	Gross requirement (1D + 2A + 2B)	**6,200**	**7,000**
2C	Delivered on existing emp. sites	3,700	4,200
	Net requirement (1D + 2A + 2B – 2C)	**2,500**	**2,800**
	Per annum	**170**	**190**

Note: Figures may not sum due to rounding.

6.43 As discussed previously, further discussion on forecasting economic changes associated with Manufacturing activities, and the effect on the future requirement for B2 sites and premises, is set out in Phase 3 Sensitivity testing.

Warehousing and Logistics

6.44 Table 6.7 sets out a gross requirement for between 59,000 sq m and 60000 sq m of additional industrial premises, and a net requirement for approximately 1,600 sq m delivered on new sites.

Table 6.7: Estimated future premises (sq m) requirements (warehousing and logistics) – Runnymede

		CE	OE
1D	Additional requirement	20,000	21,000
2A	Replacement demand	34,000	34,000
	Total demand	54,000	55,000
	Flexibility allowance	5,400	5,500
	Gross requirement	**59,000**	**60,000**
2C	Delivered on existing emp. sites	35,000	36,000
	Net requirement	**24,000**	**24,000**
	Per annum	**1,600**	**1,600**

Note: figures may not sum due to rounding

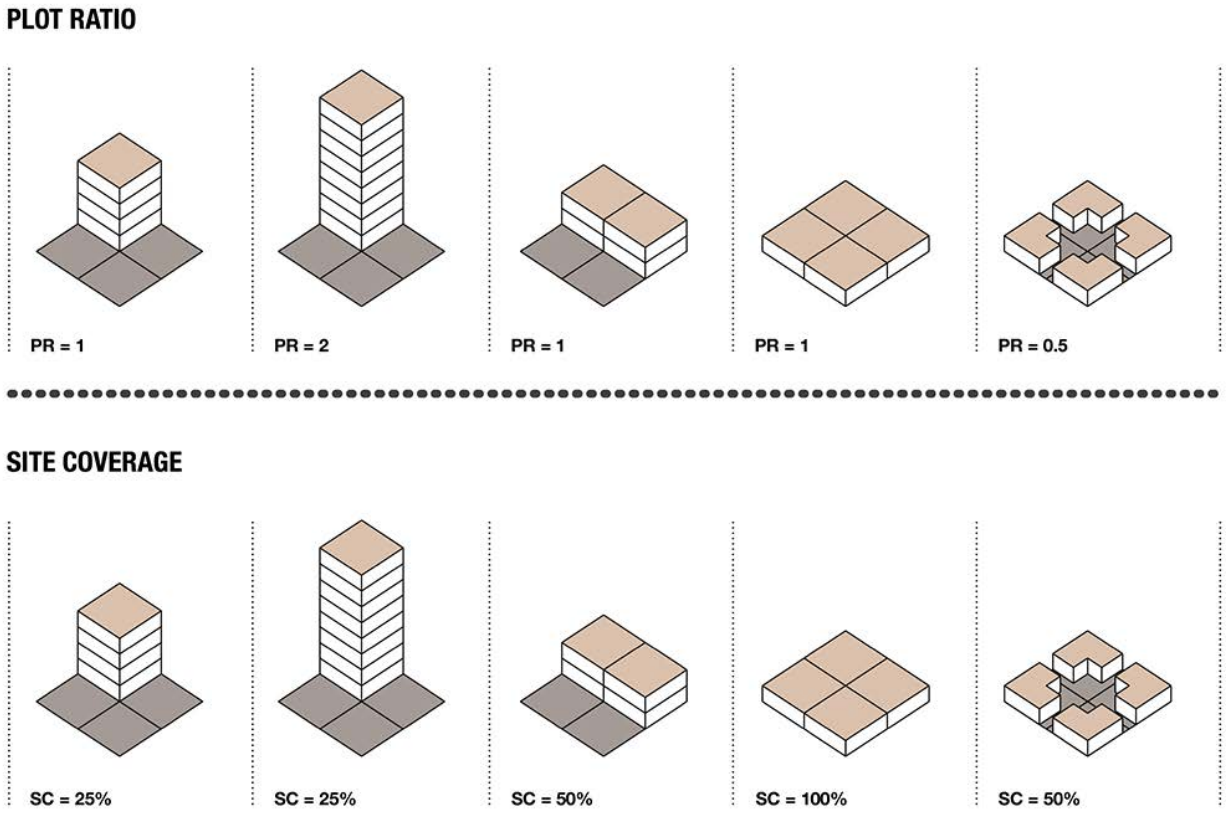
2E: Total Sites Requirements

6.45 To convert floorspace estimates to land estimates, it is necessary to make assumptions related to plot ratio. Plot ratio is the ratio of the total floorspace area of buildings to the total site area. This differs from site coverage, which is the proportion of the site covered by floorspace as measured at ground floor level, as a percentage of the total site area.

6.46 For offices, requirements are best reported in terms of floorspace for planning purposes, as varying development densities generated by different types of office developments can create large ranges e.g. the differing nature of multi-storey development 'in-town' (typically with a site development density of 100%+) and fewer storeys 'out-of-town' (typically with site development densities of ~40%). However, indicative land requirements have been set out in this section to aid plan-making.

6.47 Due to its large expanses of Green Belt, which tightly bounds the relatively small urban settlements in Runnymede, it is assumed that the nature of developments will likely fall within the 'out-of-town' category. This aligns with the business park nature of much of the commercial development following a decline in town centre office provision across Runnymede. Therefore, the land requirement set out assumes that developments take place at 40% site density.

Figure 6.2: Plot ratio and site coverage – explained



Source: Royal Institution of Chartered Surveyors (RICS, 2021)

6.48 Table 6.8 sets out the net estimated future sites requirements for Runnymede during the Plan period.

Table 6.8: Net estimated future sites (ha) requirements (Runnymede)

	CE	OE
Offices	8.0	9.1
General industrial	0.6	0.7
Warehousing and logistics	6.7	6.9

7 Sensitivity Testing and Alternative Scenarios

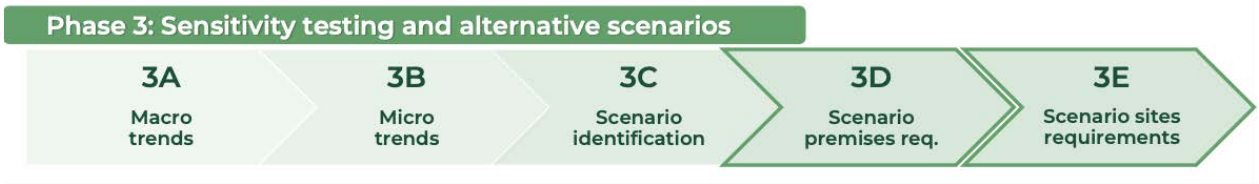
7.1 This chapter considers different scenarios which could arise due to a combination of macroeconomic trends – those which are ubiquitous across commercial property markets in the UK – and microeconomic trends, which are more localised to Runnymede's commercial property market.

Phase 3: Sensitivity Testing

7.2 Phase 3 considers emerging trends which can affect employment sites and premises demand. This includes macroeconomic trends, which are essentially ubiquitous across commercial property markets in the UK and possibly further afield; and also includes microeconomic trends which consider the local context in Runnymede.

7.3 Furthermore, NPPF paragraph 86(c) requires that planning policies should "pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics." This phase of analysis therefore considers demand in Runnymede for each of these uses[34], in addition to the other trends covered.

7.4 Following discussion of these trends, scenarios are identified to address uncertainty, factor in the evidence presented, and sensitivity test alternative future outcomes.



3A: Macro Trends

7.5 This section includes a summary analysis of macroeconomic trends, which are essentially ubiquitous across commercial property markets in the UK. A detailed analysis is presented within Appendix 6.

Offices

7.6 This section considers the following matters related to future office requirements:

- A: Changing working practices
- B: Changing office sizes

[34] Apart from digital infrastructure. This is assumed to cover land uses outside traditional employment uses.

- C: Changing office demand
- D: NPPF proposal to consider laboratories

7.7 Downward pressure on baseline requirements has been observed in the evidence, caused by a combination of changing working practices, reducing office sizes, and reducing market demand (both nationally, and acutely within Runnymede).

7.8 To sensitivity test the above macro trends, a reduction of the overall office floorspace requirement up to 2045 is applied. More detail on the quantitative approach is set out in 3C: Alternative Scenario Identification.

Industrial

7.9 This section considers the following matters related to future industrial requirements:

- A: Manufacturing employment
- B: Power requirements
- C: Employment densities

7.10 To sensitivity test the evidence on manufacturing employment, the analysis removes the decline in manufacturing employment and sets the level of change during the Plan period to zero. This has been sensitivity tested against the highest of the baseline scenarios for general industrial floorspace i.e. the CE scenario.

7.11 This assumes that, whilst the level of employment in manufacturing will remain essentially unchanged, there remains scope for the profile of manufacturing employment to adapt to reflect evolving sector conditions.

7.12 There is high capacity transmission infrastructure located within Runnymede, however the borough's overall electricity grid capacity is insufficient to sensitivity test a scenario of additional demand for general industrial floorspace based on grid capacity advantages.

7.13 There is currently a lack of evidence which can be relied upon to underpin alternative assumptions related to changing employment densities in manufacturing activities. As such, no sensitivity testing is considered on this matter.

Warehousing and Logistics

7.14 This section considers the following matters related to future warehousing and logistics requirements:

- A: National and regional demand for strategic logistics
- B: Local demand for last-mile logistics
- C: Power requirements
- D: Employment densities

7.15 Sensitivity testing of national and regional demand for strategic logistics, local demand for last-mile logistics, and demand for data centres within Runnymede is considered in more detail in 3B: Micro Trends.

7.16 There is currently a lack of evidence which can be relied upon to underpin a sensitivity test related to changing employment densities in warehousing and logistics activities. As such no alternative scenario has been developed to account for potential changes to employment densities, given this would be speculative.

3B: Micro Trends

7.17 This section includes analysis of microeconomic issues, which are more localised to Runnymede's commercial property market.

Office

7.18 This section considers the following local matters related to future office requirements:

- A: Stakeholder feedback
- B: Laboratories (NPPF requirement)

A: Stakeholder feedback

7.19 In addition to the macro trends set out in 3A: Macro Trends, consultation with local stakeholders has identified the following micro trends in Runnymede's office market (set out in detail in chapter 4):

- The office market is subject to a long term trend away from locations such as Runnymede towards prime locations, often in city centres or premium business parks that can offer the highest quality Grade A space alongside excellent supporting amenities and high quality public transport access.
- Office stocks in Chertsey, Egham and Addlestone town centres has been significantly impacted by Permitted Development, leading to a loss of critical mass.
- Overall, there is an expectation from commercial agents of future demand being lower than historic patterns as a result of both changes in the demand and supply profile.

B: Laboratories

7.20 Paragraph 86(c) of the NPPF states that planning policies should pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for **laboratories**.

7.21 When assessing what land and policy support may be needed for laboratories, it is important to understand whether there are specific requirements in the local market which affect the types of land or premises needed. Strategic policy-making authorities will need to develop a

clear understanding of such needs and how they might be addressed, taking account of relevant evidence and policy.

7.22 A distinction should also be drawn between 'wet labs' and 'dry labs', and the differing needs of users occupying each type. Users of wet labs typically carry out experiments using physical substances e.g. biochemicals or pharmaceuticals, while a dry lab focuses on computational, theoretical, or data-driven research without physical substances.

7.23 The most likely drivers of wet lab demand in Runnymede are considered to be:

- Animal and Plant Health Agency (APHA)
- Royal Holloway, University of London

7.24 The APHA is an executive agency of the Department for Environment, Food & Rural Affairs, and also works on behalf of the Scottish Government and Welsh Government. The APHA is responsible for:

- Identifying and controlling endemic and exotic diseases and pests in animals, plants and bees, and surveillance of new and emerging pests and diseases
- Scientific research in areas such as bacterial, viral, prion and parasitic diseases and vaccines, and food safety; and act as an international reference laboratory for many farm animal diseases
- Facilitating international trade in animals, products of animal origin, and plants
- Protecting endangered wildlife through licensing and registration
- Managing a programme of apiary (bee) inspections, diagnostics, research and development, and training and advice
- Regulating the safe disposal of animal by-products to reduce the risk of potentially dangerous substances entering the food chain

7.25 The APHA has its headquarters in New Haw, currently occupying around 80,000 sq m of E(g)(ii) floorspace.

7.26 APHA has recently had a masterplan approved which they intend to implement over a 15 year period, with a development description as follows:

> *Outline planning application for the phased redevelopment of the site including the demolition of existing buildings and erection of new research and development buildings, with ancillary buildings including car parking, servicing, landscaping improvements, works to public rights of way, flood alleviation and associated works (RU.24/0277) (Decision date: 11th December 2024).*

7.27 Paragraph 3.2 of the officer report confirms that:

> *The key elements of the Proposed Development would comprise:... New laboratory buildings (including high-containment)'. An increase in 12,260 sq m of gross internal floorspace is proposed as part of this proposal.*

7.28 This additional E(g)(ii) floorspace can be classed as committed development. As such, it is not necessary consider sensitivity testing additional floorspace demand associated with the APHA.

7.29 Consultation with Royal Holloway, University of London did not indicate any significant need for additional lab space in Runnymede. Potential needs to support university related innovation would be more likely to emerge in the creative technology and general business start up and grow on space markets, rather than lab space specifically. As such, it is not necessary consider sensitivity testing additional floorspace demand associated with Royal Holloway.

Sensitivity testing

7.30 To account for the evidence provided by stakeholders on the declining demand for office floorspace in Runnymede, a reduction of the overall office floorspace requirement up to 2045 is applied.

7.31 There is insufficient evidence to justify consideration of an uplift to demand for **laboratory** floorspace in Runnymede, therefore no sensitivity testing has been assessed for this specific use.

Industrial

7.32 This section considers the following local matters related to future industrial requirements:

- A: Stakeholder feedback
- B: Gigafactories (NPPF requirement)

A: Stakeholder feedback

7.33 In addition to the macro trends set out in 3A: Macro Trends, consultation with local stakeholders has identified the following micro trends in Runnymede's general industrial market (set out in detail in chapter 4):

- The industrial market does present opportunities for Runnymede due to far more positive development viability metrics and ongoing market demand.
- Proposed expansion of Heathrow, and potential footloose occupiers from London looking for more affordable workspace are both recognised as potential drivers of additional industrial demand in Runnymede.

B: Gigafactories

7.34 Paragraph 86(c) of the NPPF states that planning policies should pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for **gigafactories**.

7.35 **Gigafactories** are notable for their intensive energy requirements due to high-demand manufacturing processes that operate continuously. Power and energy demand in these facilities can exceed hundreds of megawatts (MW) to support processes such as electrode production, battery assembly, and quality control.

7.36 Some important considerations in determining gigafactory location include:

- Land availability: gigafactories demand significant land-take, making large sites an essential requirement.
- Grid capacity: gigafactories require robust grid connectivity with high-capacity infrastructure capable of meeting sustained power demand (132 kV substation). Substantial investment in new grid infrastructure would be required in locations where this does not currently exist.
- Renewable energy sources: gigafactories can incorporate on-site renewables or partner with local renewable energy providers to provide the required capacity.
- Proximity to supply chain: battery production requires specific raw materials, and proximity to suppliers and distribution networks can mitigate costs associated with transportation and logistics.

Sensitivity testing

7.37 To account for the evidence provided by stakeholders on the potential for increasing demand for general industrial floorspace in Runnymede, an increase of the overall general industrial floorspace requirement up to 2045 is applied within sensitivity testing.

7.38 Having considered stakeholder feedback, land availability, grid capacity, renewable energy sources, and proximity to supply chain, there is no evidence to suggest Runnymede is not a leading candidate location for a **gigafactory** development. As such, no sensitivity analysis has been applied to B2 requirements to accommodate gigafactory development.

Warehousing and Logistics

7.39 This section considers the following local matters related to future warehousing and logistics requirements:

- A: National and regional strategic logistics demand (NPPF requirement)
- B: Last-mile logistics demand
- C: Data centres: despite not fulfilling the same role as warehousing and logistics, data centres are classified as B8 use.

- D: Creative industries: film and TV studio activities related to Netflix at Longcross.

A: National and Regional Strategic Logistics

7.40 Historically, the South East has played a significant role in the national logistics network, with a lower ratio of warehousing space to housing compared to the national average (BPF, 2024). However, there are indications that demand will continue, particularly in urbanised areas where populations are growing.

7.41 Runnymede's location on the M3/M25 would ordinarily make it a viable location for regional distribution, particularly as businesses seek alternatives to the increasingly saturated Midlands market (UKWA, 2024).

7.42 However, as well as good connectivity, national and regional logistics activities require significant land-take. Environmental and policy constraints in Runnymede mean site availability is a challenge.

7.43 This is supported by the low level of B8 floorspace completions recorded in Runnymede's Annual Monitoring Reports (AMR) – an annual average of 890 sq m during the period 2015–2024.

7.44 By comparison, a national strategic logistics hub is likely to require upwards of 50,000 sq m, and a regional hub is likely to require upwards of 10,000 sq m.

7.45 There have been no B8 developments of this size in Runnymede over the period 2015–2024. However, RU.23/1066 has granted over 15,000 sq m of E(g)ii, E(g)iii, B2, and B8 floorspace at the Weybridge and Bourne Business Park, following the demolition of the existing offices.

7.46 Should this site be predominantly developed for B8 uses, a scheme of this size could be considered a regional logistics hub. It could also signal the attractiveness of this location for logistics developers.

7.47 At this stage, however, there is insufficient evidence which suggests an uplift to strategic logistics demand in Runnymede should be sensitivity tested. Furthermore, the matter of national and strategic logistics provision is, preferably, planned for at the regional and national levels.

B: Last-mile Logistics

7.48 Runnymede itself has a lower population density than the UK average, with most of its population located in towns close to the M25 and M3 motorways. However, Runnymede is within easy reach of high population density areas of Greater London, which in principle could make it an attractive location for last mile logistics development.

7.49 In addition, the potential for population growth in urban areas associated with housing delivery – within Runnymede itself, and within Greater London – creates opportunities for

local fulfilment hubs. As population density increases in these areas, logistics providers may seek to develop micro-fulfilment centres and local delivery networks.

C: Data Centres

7.50 Paragraph 86(c) of the NPPF states that planning policies should pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for **data centres**.

7.51 As set out 3A: Macro trends, key location determinants for data centres are stable power supply (minimum 132 kV substation) and cooling infrastructure (reliable water supply).

7.52 The presence of a National Grid high voltage transmission substation at New Haw (installed in 2024) has the potential to support data centre developments.

7.53 New data centre development has taken place at Longcross, which indicates Runnymede has the necessary infrastructure to support data centre development if demand for such uses persists.

7.54 Given the uncertainty around the timing and location of any data centre development, it is reasonable to avoid sensitivity testing a scenario of speculatively high demand for sites to inform an alternative scenario.

7.55 However, since the NPPF specifies the importance of identifying suitable locations for **data centres**, and Runnymede's potential to accommodate data centre development, preparation of the Runnymede Local Plan should consider:

- How demand for data centre sites could be met. This could lead to the allocation of sites for data centres, or potential reserve sites could be identified and a mechanism put in place for their release if/when they are needed.
- Inclusion of a Local Plan Policy to include criteria under which sites for data centres can be considered, allowing flexibility.

D: Creative industries

7.56 Consultation with local stakeholders has identified potential opportunities in the creative technology space linked to cutting edge research and innovation being led out of Royal Holloway, University of London. The extent of potential development requirements was not known. Netflix was also approached for comment but no response has been received at the time of writing.

7.57 Given the lack of certainty over the future prospects of creative industries activities in Runnymede (and the South East more widely), no sensitivity testing of a scenario for speculatively high demand for sites in this sector has been undertaken.

Sensitivity testing

7.58 There is no current evidence which suggests an uplift to **national and regional strategic logistics** demand in Runnymede should be sensitivity tested. As such, no sensitivity testing applied to this matter.

7.59 There is evidence of increasing demand for **last-mile logistics** floorspace due to growing populations in Runnymede's particular location alongside densely populated urban areas in Greater London. To test this, the sensitivity analysis applies an uplift to B8 additional floorspace demand estimates.

7.60 Given the uncertainty around the timing and location of any **data centre** development, it is reasonable to avoid sensitivity testing a scenario of speculatively high demand for sites to inform an alternative scenario. However, since the NPPF specifies the importance of identifying suitable locations for data centres, and Runnymede's potential to accommodate data centre development, preparation of the Runnymede Local Plan should provide mechanism to facilitate this specific use where demand exists.

7.61 Given the lack of certainty over the future prospects of **creative industries** activities in Runnymede (and the South East more widely), no sensitivity testing has been undertaken, but dialogue with key occupiers (such as Netflix) should be maintained to ensure their specific needs are met.

3C: Alternative Scenario Identification

7.62 Having considered macro and micro trends within the national and local economies, and their application to employment sites and premises requirements in Runnymede, the following scenarios have been developed to sensitivity test alternative outcomes compared to the baseline forecasts.

Offices (lower)

7.63 Downward pressure on baseline requirements has been observed in the evidence, caused by a combination of changing working practices, reducing office sizes, and reducing market demand (both nationally, and acutely within Runnymede).

7.64 To sensitivity test the above macro and micro trends, a reduction of the overall office floorspace requirement up to 2045 is applied.

7.65 The baseline additional requirement estimate is reduced by 10%, and the starting baseline replacement requirement is also reduced by 10%. This makes appropriate adjustment to new requirements whilst acknowledging the primary reduction of stock will be through obsolete secondary space. The 10% assumption is in line with survey evidence published by Lambert Smith Hampton (LSH).

7.66 This has been sensitivity tested against the lowest of the baseline scenarios for office floorspace i.e. the OE scenario.

Laboratories

7.67 Having considered market demand signals for laboratories, there is no evidence to suggest there is an exceptional requirement for wet lab space in Runnymede beyond servicing the local market.

7.68 As such, no sensitivity analysis has been applied to E(g)(ii) requirements.

General industrial (higher)

7.69 To sensitivity test the evidence on manufacturing employment, the analysis removes the decline in manufacturing employment and sets the level of change during the Plan period to zero. This has been sensitivity tested against the highest of the baseline scenarios for general industrial floorspace i.e. the CE scenario.

7.70 This assumes that, whilst the level of employment in manufacturing will remain essentially unchanged, there remains scope for the profile of manufacturing employment to adapt to reflect evolving sector conditions.

Gigafactories

7.71 Having considered stakeholder feedback, land availability, grid capacity, renewable energy sources, and proximity to supply chain, there is no evidence to suggest Runnymede is not a leading candidate location for a gigafactory development.

7.72 As such, no sensitivity analysis has been applied to B2 requirements to accommodate gigafactory development.

Warehousing and logistics (higher)

7.73 There is evidence of increasing demand for last-mile logistics floorspace due to growing populations – both nationally and in Runnymede's particular location alongside densely populated urban areas in Greater London. To test this, the sensitivity analysis applies a 10% uplift to B8 additional floorspace demand estimates in the highest baseline scenario i.e. the CE scenario.

3D: Scenario Premises Requirements

Office

7.74 The sensitivity testing results set out in Table 7.1 provide a gross requirement for around 73,000 sq m of additional office premises, and a net requirement for around 29,000 sq m delivered on new sites.

Table 7.1: Sensitivity testing – estimated future premises (sq m) requirements (offices)

Phase		Sensitivity analysis
1D	Additional requirement	25,000
2A	Replacement demand	42,000
	Total demand (1D + 2A)	66,000
2B	Flexibility allowance	6,600
	Gross requirement (1D + 2A + 2B)	**73,000**
2C	Delivered on existing emp. sites	44,000
	Net requirement (1D + 2A + 2B – 2C)	**29,000**
	Per annum	**1,900**

General Industrial

7.75 The sensitivity testing results set out in Table 7.3 provide a gross requirement for around 15,800 sq m of additional general industrial premises, and a net requirement for around 6,300 sq m delivered on new sites.

Table 7.2: Sensitivity testing – estimated future premises (sq m) requirements (general industrial)

Phase		Sensitivity analysis
1D	Additional requirement	830
2A	Replacement demand	13,600
	Total demand (1D + 2A)	14,400
2B	Flexibility allowance	1,400
	Gross requirement (1D + 2A + 2B)	**15,800**
2C	Delivered on existing emp. sites	9,500
	Net requirement (1D + 2A + 2B – 2C)	**6,300**
	Per annum	**420**

Warehousing and Logistics

7.76 The sensitivity testing results set out in Table 7.3 provide a gross requirement for around 63,000 sq m of additional warehousing and logistics premises, and a net requirement for around 25,000 sq m delivered on new sites.

Table 7.3: Sensitivity testing – estimated future premises (sq m) requirements (warehousing and logistics)

Phase		Sensitivity analysis
1D	Additional requirement	24,000
2A	Replacement demand	34,000
	Total demand (1D + 2A)	57,000
2B	Flexibility allowance	5,700
	Gross requirement (1D + 2A + 2B)	**63,000**
2C	Delivered on existing emp. sites	38,000
	Net requirement (1D + 2A + 2B – 2C)	**25,000**
	Per annum	**1,700**

3E: Scenario Sites Requirements

7.77 Table 7.4 sets out future site requirements assuming the same development densities as the analysis set out in Phase 2 – 40% for offices, 40% for general industrial, and 35% for warehousing and logistics. Overall, this shows a downward move in total land areas required as a result of the changes to office requirements under the sensitivity tests.

Table 7.4: Sensitivity testing – estimated net future sites (ha) requirements

Use	Original analysis	Sensitivity analysis
Office	8.0 – 9.1 ha	4.2 ha
General Industrial	0.6 – 0.7 ha	1.6 ha
Warehousing and Logistics	6.7 – 6.9 ha	7.2 ha
Total	**15.3 – 16.7**	**13.0**

8 Historic Delivery Analysis

8.1 Paragraph 027 of PPG sets out that strategic policy making authorities will need to develop an idea of future economic needs based on a range of data which is current and robust. This includes analysis based on the past take-up of employment land and property.

8.2 The figures set out within the Phase 2 and Phase 3 analysis are largely developed from desk-based modelling, but with assumptions informed by the review of economic and commercial market evidence, historic data, policy and strategy ambition and consultation with key stakeholders. It has incorporated a number of scenarios and sensitivity tests to help inform future policy making. The level of uncertainty and complexity will require a planning judgment when making policy, and there is a clear requirement for ongoing monitoring of a range of variables in order to understand which influences are the greatest and whether a balanced view (as is recommended here) remains appropriate.

8.3 The analysis set out in this chapter compares the estimated future sites and premises requirements from the Phase 2 and Phase 3 analysis with historic patterns of development across Runnymede.

8.4 The analysis sets out historic completions data based on office, general industrial, and warehousing and logistics use types.

8.5 Table 8.1 sets out a comparison of gross historic annual completions rates with the results from the Phase 2 analysis of total premises requirements, and the Phase 3 sensitivity testing. Gross historic annual completions estimates are based on Annual Monitoring data provided by Runnymede Borough Council.

Table 8.1: Comparison of historic gross annual delivery analysis (2015–2024) with forecast gross annual employment floorspace requirements (sq m).

	Historic delivery	OE	CE	Sensitivity testing
Offices	5,800	5,400	6,000	4,900
General Industrial	2,300	420	470	1,100
Warehousing and logistics	890	3,900	4,000	4,200
Total	**9,000**	**9,700**	**11,000**	**10,000**

Source: HJA analysis of Runnymede Borough Council Annual Monitoring Data.

8.6 For each type of development category, the following observations can be made:

- **Office**: baseline forecasts generate gross annual requirements which are very similar to gross annual historic completions rates.

- **General Industrial**: baseline forecasts generate gross annual requirements which are much lower than gross annual historic completions rates.
- **Warehousing and logistics**: baseline forecasts generate gross annual requirements which are much higher than gross annual historic completions rates.
- **Industrial (combined)**: baseline forecasts (4,300–4,500) generate gross annual requirements which are notably higher than gross annual historic completions rates (3,200).

8.7 Table 8.2 sets out the net historic annual change in business floorspace. These estimates are based on VOA Non-domestic Rating Business Floorspace data. VOA records to not disaggregate the "Industrial" category between General Industrial and Warehousing and Logistics – as such, these are presented together.

8.8 Records of employment premises stocks can vary from year to year. To avoid reliance on a single data period, the annual change across a range of periods is presented to indicate annual change rates across longer-term (20-years), long-term (15 years), medium-term (10 years), and short-term (5 years) periods.

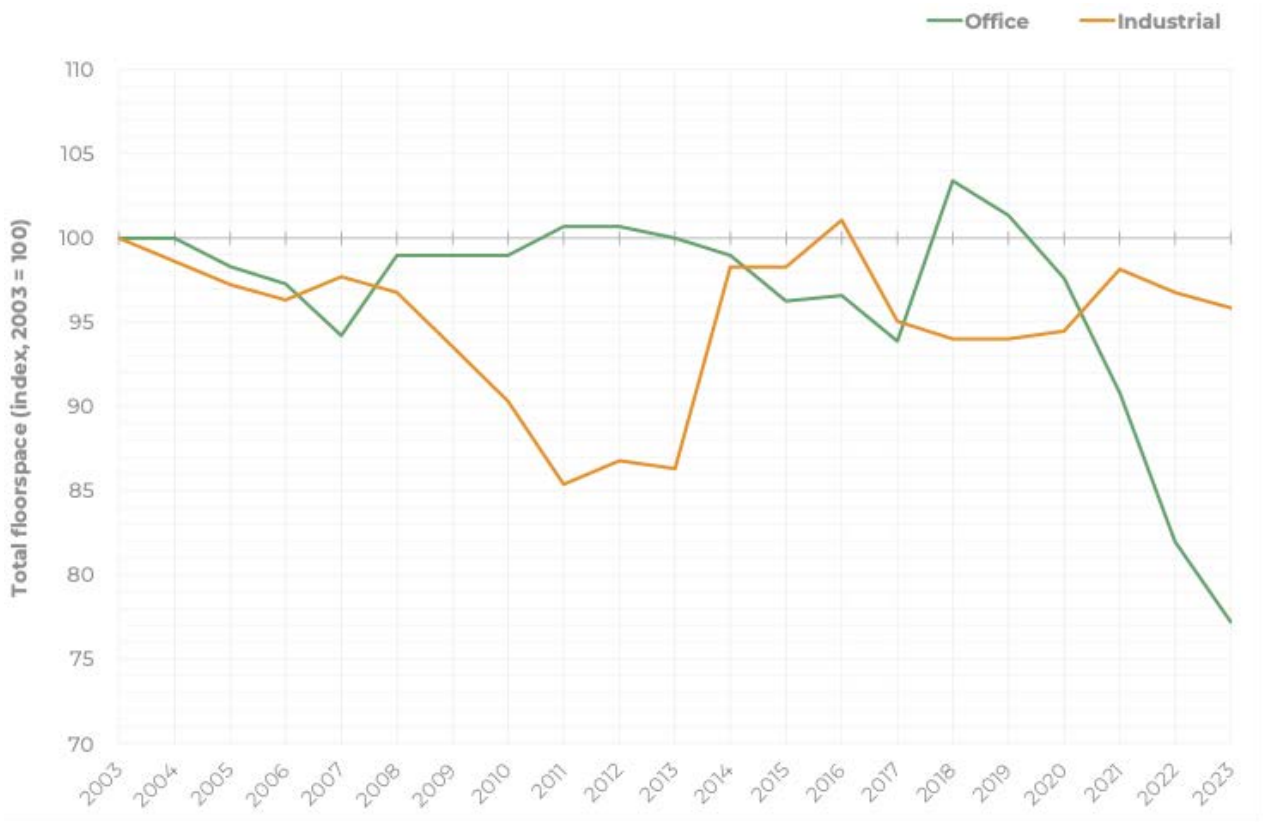
Table 8.2: Indicative historic net annual change (2003–2023) (sq m)

	20 years 2003–2023	15 years (2008–2023)	10 years (2013–2023)	5 years (2018–2023)
Offices	–3,400	–4,300	–6,700	–15,400
Industrial	–500	–100	+2,100	+800
Total	**–3,800**	**–4,400**	**–4,600**	**–14,600**

Source: HJA analysis of VOA Non-domestic Rating: Business Floorspace data (VOA, 2024).

Note: some figures may not sum due to rounding.

Figure 8.1: Historic change in office and industrial floorspace 2003–2023, Runnymede (indexed to 2003)



Source: HJA analysis of VOA Non-domestic Rating: Business Floorspace (VOA, 2024)

8.9 Figure 8.1 sets out the overall change in office and industrial floorspace in Runnymede over the period 2003–2023.

8.10 With regards to office stocks, this evidence indicates that over the 15-year period between 2003–2018, office stocks in Runnymede remained within a roughly ±5% margin of the 2003 start point. This suggests a relatively steady office market. However, from 2018 onwards office stocks have decreased sharply – approximately 25% lower in 2023 than in 2018.

8.11 Local commercial property agents have reported an ongoing trend of office floorspace being lost to residential use through Permitted Development Rights (PDR). It is likely that any new development that took place over the period 2003–2018 was contributing to maintaining the same overall quantum of stock. The reported lack of new office development in recent years has therefore resulted in a large loss of office stocks, as PDR has continued with no new floorspace to replace it.

8.12 With regards to industrial stocks, this evidence indicates that over the longer-term (2003–2023), industrial stocks have remained relatively steady, staying within a roughly –5% margin of the 2003 start point. The exception to this was the period between 2009–2013, where a more substantial decrease can be observed in industrial stocks. A sustained recovery from this position can be observed from 2014–onwards.

8.13 Table 8.3 sets out the annual estimates from the Phase 2 analysis of net premises requirements, and the Phase 3 sensitivity testing.

Table 8.3: Forecast annual employment sites and premises requirements (sq m).

	OE	CE	Sensitivity testing
Offices	2,100	2,400	1,900
General Industrial	170	190	420
Warehousing and logistics	1,600	1,600	1,700
Total	**3,900**	**4,200**	**4,000**

8.14 For each type of development category, the following observations can be made:

- **Office**: baseline forecasts generate net annual requirements which are substantially above indicative net annual historic completions rates, which suggest a sharp reduction in net delivery since 2018. The baseline forecast position is also substantially above the net annual historic completion rates between 2003–2018 (+700) i.e. before office stocks began to sharply decrease.
- **Industrial (combined)**: baseline forecasts (+1,800) generate net annual requirements which are notably higher than longer-term indicative net historic completions rates (–500). However, baseline forecasts are within the range of short-to-medium term net completion rates (+800–2,100).

9 Comparing Supply and Demand

9.1 This chapter provides a summary of the employment sites and premises supply in Runnymede at the current time, and through comparison with the results of the assessment of future requirements draws some high level conclusions on potential issues to be addressed through future policy.

Current Supply

9.2 Information on the current supply of employment sites and premises has been provided by Runnymede Borough Council. This includes:

- Employment Land Review (2016)
- Employment Land Review Partial Update (2025)
- Other ad hoc information

Employment Land Review (2016)

9.3 The ELR highlighted that the commercial property market in Runnymede was predominately office based, where relatively large amounts of office space had been developed meaning supply was reported to be of good quality. Runnymede was expected to remain an attractive office location particularly amongst firms in key sectors (such as information and communication and financial and business services) seeking an accessible south west London location.

9.4 Increasing demand for office space generated a shortage of supply in office stock in the Borough, which was a similar trend to the whole of the M25 office market.

9.5 Runnymede was not recognised as a significant industrial location and the market was identified as small in scale, however the ELR notes there were low levels of vacancy and a strong market demand for industrial floorspace within Borough.

9.6 Longcross Park was identified as a key development site located on the western edge of Runnymede with 22 hectares of commercial space. Longcross Park represented the largest strategic business park site in the former EM3 LEP area and as a source significant employment in the area.

9.7 The ELR noted that the main drawbacks and constraints to Runnymede's future economic growth include:

- Land supply which is limited by Green Belt, flooding and heritage factors;
- High levels of in-commuting resulting in high levels of congestion and commuting in the Borough;

- Lack of affordable housing and skills shortages in some areas causing recruitment difficulties; and
- Potential competition from larger economic centres nearby.

Employment Land Review Partial Update (2025)

9.8 Runnymede Borough Council officers have prepared an update to the ELR focused on the Strategic Employment Areas, as identified in Policy IE2 of the current adopted Runnymede 2030 Local Plan. These sites are:

- SEA1: Hillswood Business Park
- SEA2: Longcross Park Enterprise Zone
- SEA3: The Causeway and Pinetrees Business Park
- SEA4: Thorpe Industrial Estate
- SEA5: Weybridge and Bourne Business Parks and Waterside Trading Estate

9.9 These sites cover a total of more than 190 hectares of land, the majority of which is occupied. There are limited opportunities for development identified.

9.10 One site (former Gasworks site at The Causeway North) of approximately 2.2 hectares is noted as having been cleared for redevelopment. Following further investigation this site is subject to redevelopment under application RU.22/0043. One large storage unit has been constructed with a further nine units under construction. The development will comprise 17,500 sq m of industrial development. There are further live Permitted Development Prior Approvals which will further reduce the stock of office floorspace.

9.11 The original 2016 ELR site reviews of the non SEA sites were considered (these sites have not been subject to a review within the 2025 update). As at 2016 there was no development land remaining on any of those sites.

9.12 The lack of development land highlights the constrained land supply within Runnymede which was reported in the 2016 ELR and continues to impact the borough area now. This has led to high levels of on-site regeneration within the existing employment areas which are noted in the ELR update report.

Runnymede 2030 Local Plan

9.13 The adopted Local Plan, Policy IE1 allocated a new site outside of the Strategic Employment Areas at Byfleet Road, New Haw. This 7.7 hectare site is identified to deliver in the region of 20,000 sq m of net additional B1c (now E(g)(iii))/B8 floorspace across a range of unit sizes. The policy provides flexibility for a limited amount of B2 General Industrial uses.

9.14 The site now benefits from full planning consent (reference RU.21/0207) for *c.*17,000 sq m of Class E(g)/B2/B8 floorspace with ancillary office accommodation but is not yet under construction and can therefore play a role in meeting future need.

Future Potential Sites

9.15 The Council has identified some potential opportunity areas as a result of its call for sites and Strategic Land Availability Assessment. The majority of promoted sites fall within the Green Belt and will be subject to consideration during the Local Plan update.

Comparing Demand and Supply

9.16 Based on the available information there is one remaining development site allocated for employment purposes, with consented capacity of *c.*17,000 sq m of largely storage and light industrial uses, at Byfleet Road. There is also industrial supply under construction, at the former Gasworks site at The Causeway, which may contribute up to 17,500 sq m to future needs if still available at the start of the analysis period. There are some vacant commercial premises, both office and industrial, within the recent redevelopment of Causeway Park South, however, it is uncertain whether these will be available at the start of the future analysis period.

9.17 The identified supply will help to meet the industrial and storage requirements set out in the preceding analysis. Beyond the two identified opportunities, future needs will need to be met through new allocations, potentially requiring Green Belt release, or through further redevelopment and intensification of existing employment areas.

9.18 As noted in the commercial market analysis, where there is existing vacancy (in addition to the small number of new build schemes at Causeway Park) this is predominantly secondary stock that is unlikely to meet occupier requirements.

10 Conclusions

10.1 This chapter sets out summary conclusions based on the analysis set out in this report.

Strong economic performance

10.2 The Runnymede economy has performed strongly, capitalising on its excellent strategic connectivity and location. Key metrics are favourable when compared to regional and national benchmarks. The labour market performs well, and business, GVA and employment indicators are also positive. The information and communication sector in particular remains very strong and there are key assets in the creative technologies industries.

But much more challenging from commercial market perspective

10.3 Despite the strong economic fundamentals the commercial market context is described in much more negative terms by local agents. Runnymede has historically been an office rather than industrial location. However, long term trends in the commercial office market have moved against areas like Runnymede, these have been accelerated by the COVID-19 pandemic and its impact on working practices and office occupier preferences. Coupled with Permitted Development rights there has been a significant downrating in Runnymede as an office location in the opinion of agents.

10.4 In line with wider national and regional trends the industrial market has been performing more strongly than for offices. Runnymede is not a major industrial location but there is demand and existing industrial areas continue to perform strongly.

Strategic location but spatial constraint

10.5 Whilst the strategic location of Runnymede is a key asset there are development constraints in the form of Green Belt and flood risk in particular. This has limited the scope for new commercial development in the past and led to a failure to adequately replace stocks lost through Permitted Development.

10.6 The commercial market, in both office and industrial & warehousing sectors, sets a clear preference for high quality stock. This will require either continued regeneration and refurbishment of existing stocks, or new development to come forward if Runnymede is to retain its existing levels of activity.

Future employment growth likely to be slightly lower than historic trends

10.7 Economic forecasts suggest growth scenarios that sit below long-term historic employment growth. The variance between the two baseline forecasts purchased for this research indicate differing expectations on how the Runnymede economy may perform. When considering the likely changes in the economically active population arising from the

assessed housing need, the level of employment growth that can be sustained sits in the range of the two forecast scenarios. On this basis, the two scenarios are carried forward as appropriate upper and lower estimates of potential growth.

Future commercial property requirements assessed above historic levels

10.8 The assessment of future commercial employment sites and premises requirements is higher than historic levels. This is in part likely to reflect the low levels of historic development, as opposed to an inflated assessment of future needs. However, the assessment of need should be considered in the context of the commercial market position. Particularly in terms of new office development.

10.9 Sensitivity testing of the initial findings suggests downward pressure on office requirements relative to the original position, with some upward pressure on industrial and logistics requirements. The main focus of future requirements is to ensure a continuous rolling supply of high-quality commercial employment space to replace stocks that reach the end of their functional and physical life. This aligns with agent views that Runnymede should look to retain what it has and explore opportunities for incremental growth where possible.

Specialist focus on creative tech and information and communications

10.10 In line with retaining and building on existing strength, the information and communications sector continues to perform strongly in Runnymede. There are many blue-chip employers in the borough and these should be supported. In addition, there are opportunities to build on the existing technology related cluster specialisms in creative tech.

Challenge is identifying supply

10.11 The key challenge is identifying suitable supply to allow expansion and new development to come forward. Two sites have been identified which offer storage and industrial opportunities. Whilst a focus on retaining and regenerating existing sites is important, identifying new opportunities will need to be a focus of policy to meet future growth needs.

Heathrow expansion will bring opportunities and threats

10.12 The proposed expansion of Heathrow airport will be a significant backdrop to the next Local Plan period if it goes ahead. Whilst details are in relatively short supply, it is anticipated that there will be a significant construction phase over the c2028-35 period. This could include disruption to existing road travel routes which will impact on Runnymede. Once operational it is anticipated there will be improved transport connections to the south of the airport which will change the relationship of Runnymede to Heathrow operations. This presents potential opportunities for office and industrial growth.

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Appendix 1. Planning policy compliance

See separate document attached

Appendix 2. Planning policy context

See separate document attached

Appendix 3. Economic context

See separate document attached

Appendix 4. Economic growth forecasts

See separate document attached

Appendix 5. Replacement analysis

See separate document attached

Appendix 6. Sensitivity analysis

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Appendix 7. Alternative time period results

See separate document attached

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