

## Employment Land Review

### Analysis of the Survey of Local Businesses – February 2006

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#### 1.0 Introduction

This document provides a detailed analysis on the Employment Land Review Survey that was undertaken in September 2005.

The survey relates to the second stage of the Employment Land review which is concerned with the assessment of future requirements for employment land and premises. The review emphasises the need to provide prospective occupiers of employment premises with a choice of sites or premises to meet their requirements.

The purpose of the survey is to assess local businesses future requirements for employment land (and premises).

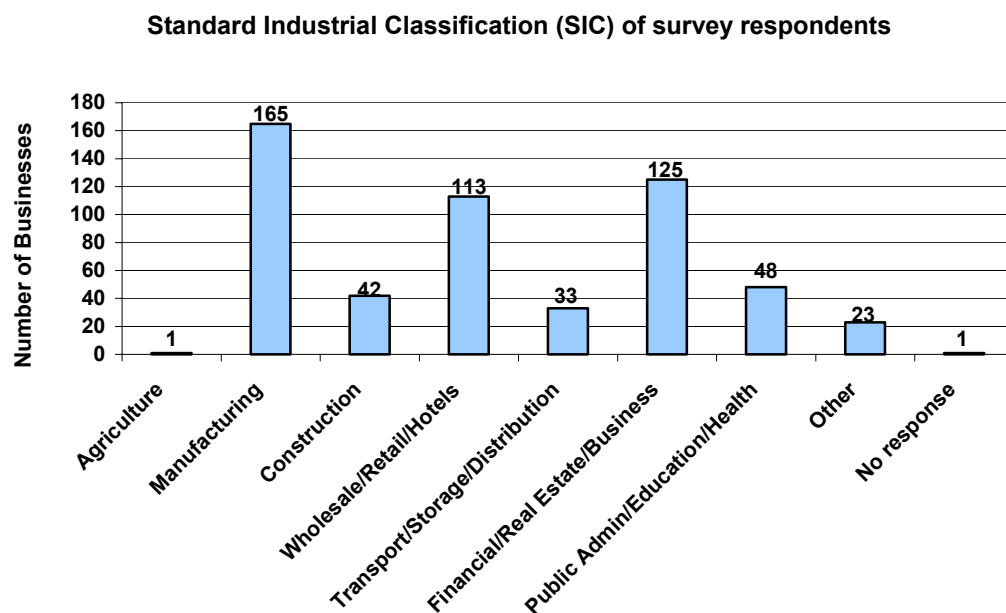
#### 2.0 Survey Response Rate

A total of 1200 questionnaires were distributed to local business, out of which 551 surveys were completed and returned. Thus, representing a **response rate of 46%**.

### 3.0 Present Status of Businesses in Poole

In order to ensure that future requirements for employment land and premises are adequately met respondents were asked to specify the nature of their business. Responses are categorised under the Standard Industry Classification (SIC) and are illustrated in graph 1. As it can be seen from the graph the three most popular business types are Manufacturing, Financial/Real Estate/Business and Wholesale/Retail/Hotels.

Graph 1: Standard Industrial Classification Category of Businesses surveyed



To determine the type and size of premises currently occupied by businesses, respondents were required to provide information on the type of premises occupied and the size of the premises the responses given are detailed in table 2 and table 3.

The information provided by the businesses does not only verify types and sizes of premises currently in use but it also enables the comparison between current premises occupation against potential future demands of the size and types of premises required by businesses.

Table 2: Types of premises currently occupied by Businesses

Type of Premises	No of Businesses
Office	184
Science Park / High Tech Industry	4
Industrial / Manufacturing site	237
Other	122
No Response	4

Table 3: Size (sq metres) of premises currently occupied by Businesses

	Size of Premises (sq metres)							
	>49	50-149	150-249	250-499	500-749	750-1499	1500+	No Response
<b>No of Businesses</b>	47	118	85	80	45	46	67	63

Information about the site ownership status of the businesses surveyed is detailed in table 4.

38.8% of the businesses surveyed occupy the premises on a freehold basis with over half of the businesses that responded occupying premises on a leasehold basis. The terms of the lease as range from Under 1 year (including renewal on an annual basis) up to over 200 years. However, a large proportion of the lease hold terms are over a period of 49 years and under.

2.9% of the businesses occupy the premises via other arrangements and this question was not applicable to 0.4% of the businesses surveyed.

5.8% of businesses did not provide a response.

**Table 4: Businesses Site ownership status**

<b>Site Ownership</b>	<b>No of Businesses</b>
<b>Freehold</b>	<b>214</b>
<b>Leasehold :</b>	<b>287</b>
Under 1 year	4
1-9 years	63
10-19 years	51
20-49 years	30
50-99 years	5
100-199 years	3
200+ years	1
Other	8
No Response	122
<b>Renting</b>	<b>14</b>
<b>Borough of Poole</b>	<b>1</b>
<b>Trust Deed</b>	<b>1</b>
<b>N/A</b>	<b>2</b>
<b>No response</b>	<b>32</b>

Tables 5 below details the number of employees that the businesses employs. A large proportion of businesses (32.7%, 180 businesses) employ 1-4 employees (micro sized firms), and 23.4% of businesses (a total of 129 businesses) employ 10-24 employees (small sized firms).

3.1% of businesses (17) indicated that they currently employ between 20-99 employees. 0.2 % of businesses (1 business) claimed that it has nil employees and 2.8% of businesses (12) did not provide a response detailing the number of employees currently employed.

**Table 5: Number of Employees**

	<b>Number of Employees</b>							
	<b>1-4</b>	<b>5-9</b>	<b>10-24</b>	<b>25-49</b>	<b>50-99</b>	<b>100+</b>	<b>None</b>	<b>No Response</b>
<b>No of Businesses</b>	180	122	129	65	17	25	1	12

To establish why the businesses were operating in and from Poole, the respondents were asked to provide reasons of why they initially located their business in Poole. The most common responses were as follows:

- Business Opportunity
- Good Location / Attractive area
- Availability of premises and workforce
- Client/Customer base
- Expansion
- Proximity to Harbour
- Born in Poole / Live in Poole

The process of selecting the ideal employment land/premises location is a difficult one as there are specific requirements that need to be met in order for the business to operate effectively and efficiently. In many situations the employment premises/land selected was ideal or may have been ideal when the business first located itself there however, with time businesses may find themselves faced with constraints that limit the operation of their business. The limiting constraints identified by the respondents are detailed in Table 6.

**Table 6: Constraints that limit the operation of Businesses**

<b>Constraints</b>	<b>No of Businesses</b>	Most common reasons provided for 'Other':
Infrastructure	37	● Parking
Land Availability (space)	77	● Access
Land Availability (ownership)	52	● Vandalism
Environmental	20	● Traffic congestion
Skilled Labour	112	● Rent costs
Other	41	

As it can be seen from table 6 'skilled labour' is a major constraint that has been identified by the businesses, followed by Land Availability with regards to space.

#### 4.0 Businesses Planning to Relocate (within next 5 years)

To obtain an insight into potential future demands for employment land/premise respondents were asked to indicate whether they had any plans to relocate their business in the next 5 years to a site within or outside Poole/Bournemouth. A total of 86 businesses indicated that plans were in place to relocate within Poole/Bournemouth.

The remaining 465 businesses responded as follows: 18 businesses indicated that they had plans to move outside of Poole/Bournemouth; 328 businesses had no plans to relocate; 113 businesses did not know whether they would move or not; and a total of 6 businesses did not provide a response.

Analysis was conducted based on the SIC category (Standard Industrial Classification) of the businesses. The most popular SIC category businesses that indicated a plan to move within Poole/Bournemouth are as follows :

- Manufacturing – 25 businesses
- Financial/Real Estate/Business – 23 businesses
- Wholesale/Retail/Hotels – 20 businesses

Table 7 provides a detailed breakdown of the SIC category of each business and its plan on whether it will be relocating in the next 5 years.

**Table 7: Businesses relocation plans within the next 5 years**

SIC	SIC Description	Plans to Relocate in next 5 years				
		Yes - Poole/B'mouth	Yes - Outside Poole/B'mouth	No	Don't Know	No Response
A	Agriculture	0	0	1	0	0
D	Manufacturing	25	6	110	23	1
F	Construction	5	2	27	7	1
GH	Wholesale/Retail/Hotels	20	7	61	24	1
I	Transport/Storage/Distribution	6	0	14	12	1
JK	Financial/Real Estate/Business	23	1	70	30	1
LMN	Public Admin/Education/Health	6	0	30	12	0
OP	Other	1	1	15	5	1
<b>No response</b>	No response	0	1	0	0	0
	<b>Total</b>	<b>86</b>	<b>18</b>	<b>328</b>	<b>113</b>	<b>6</b>

The 18 businesses that have indicated a potential relocation outside Poole/Bournemouth have provided the following reasons for their decision:

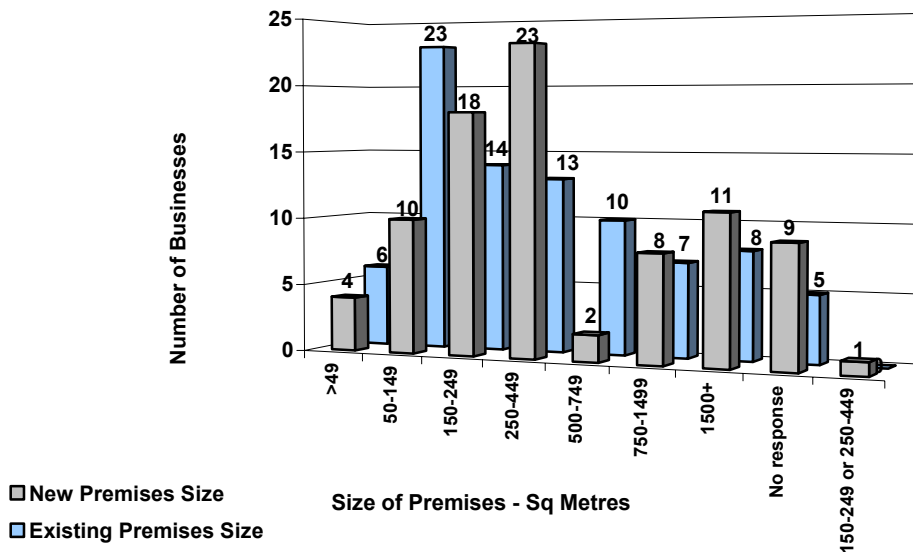
- High price / rates
- Poor road infrastructure
- Parking issues
- Shortage of skilled staff
- Bigger and cheaper properties elsewhere
- Moving to head office location / more central location
- Business expansion

## 5.0 Businesses planning to relocate within Poole/ Bournemouth

This section of the analysis provides detail about the overall future demand of businesses with regards to the size and types of premises required to cater for their needs. From the 86 businesses that indicated a move within Poole/Bournemouth in the future, 9 businesses did not provide any responses with respect to what size premises they currently occupy or the size of the premises they would like to relocate to.

Graph 8 compares the size of premises currently occupied by businesses with the sizes potentially demanded by businesses in the future.

Graph 8: Size of premises currently occupied and the size of premises required in 5 years



As seen in graph 8 above, the greatest demand is for premises that are 250-449 sq metres in size (demanded by 23 businesses). The second most popular size is 150-249 sq metres (demanded by 18 businesses).

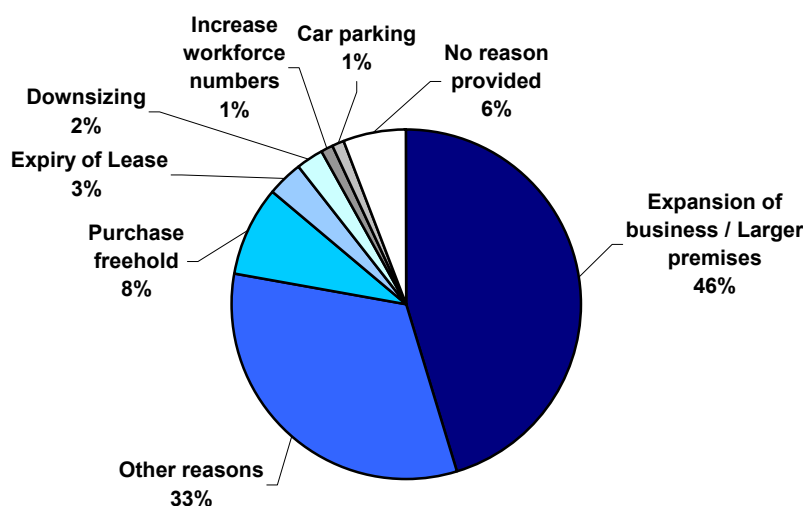
The types of premises required by these businesses are detailed in table 9 below. The two most common types of premises have been highlighted.

**Table 9: Types of Premises required in the future**

Type of premises	Number of Businesses	Additional Information
Modern purpose built office	18	6 require established office accommodation. 1 requires established industrial unit within Industrial Estate.
Modern purpose built industrial unit within Business Park	31	16 require established Industrial Unit.
Established industrial unit within Industrial Estate	13	-
Established office accommodation	5	-
Incubator/Serviced accommodation	1	-
Premises with Port or Rail Freight	0	1 business indicated would like Port/Rail Freight facility but a Modern purpose built industrial unit within Business Park is required.
Other	4	Premises type: House/Mobile unit, purpose built premises, and shop with frontage.
No Response	14	Premises type: Land to build premises, house and office, compound, and shop frontage.

Businesses that indicated a planned relocation in the next 5 years have provided the following reasons to move:

**Graph 10: Reasons behind relocation**



From the 39 (46%) businesses that have indicated a move due to 'Expansion of business or Requiring larger premises', their most significant location requirements are as follows:

- Access to premises/price of premises/size of premises = 15
- Based in the Poole area = 3
- Car parking facilities = 3
- Close to customer base = 3
- Near harbour/Docks/Quay = 3
- Other reasons (e.g. near to existing business, planning permission, etc) = 5
- No response = 7

Overall, the common location requirements are detailed in the table11 below. From the table it is apparent that the requirements that are most in demand are: premises access/size/price (26 respondents), central to Poole/Bournemouth (14 respondents) and Car Parking (8 respondents).

**Table 11: Location Requirements**

Location Requirements	Number of Businesses
Access to labour force	2
Central to Poole/Bournemouth	14
Premises access/size/price	26
Customer base	7
Car parking facilities	8
Close to current site	4
Access to Harbour/Docks/Quay	3
Other reasons	8
No response	14

The number of employees per business wanting to relocate within the next 5 years are detailed in table 12 below. As it can be seen in the table a large proportion (80.2%) of the businesses employ between 1 to 24 employees.

**Table 12: The number of Employees in Businesses wanting to relocate**

	Number of employees						No Response
	1-4	5-9	10-24	25-49	50-99	100+	
<b>Number of Businesses</b>	24	21	24	11	2	2	2

### 5.1 Relocation to Premises of the Same Size

From the 86 businesses that would like to relocate in 5 years time within Poole or Bournemouth, 29 businesses indicated that they would like to relocate to premises that is of the same size as the existing one.

Table 13 details the number of employees in each of the businesses that have indicated a plan to relocate to same sized premises within the next 5 years.

**Table 13: The number of Employees in businesses planning to relocate to same sized premises**

Size of Existing Premises (Sq metres)	Number of employees					
	1-4	5-9	10-24	25-49	50-99	100+
>49	1					
50-149	4	1	1			
150-249	1	1	2	1		
250-499		4	5			
500-749						
750-1499	1			1		
1500+		1	1	3		1

Reasons provided by those 29 businesses to relocate are as follows:

- Expansion = 10
- Purchase of freehold = 5
- Expiry of Lease = 3
- Other = 11: reasons given: - 'Downsize to reduce high rates and rent'.  
- 'Poole Bridge development'  
- 'Proposed re-development of current site'

Table 14 details the types of premises sought after by the local businesses. The most popular are Modern purpose built industrial units within Business Park and Established industrial unit within Industrial Estate.

**Table 14: Types of Premises sought after**

Type of premises	Number of Businesses
Modern purpose built office	4
Modern purpose built industrial unit within Business Park	6
Established industrial unit within Industrial Estate	6
Established office accommodation	4
Incubator/Serviced accommodation	1
Premises with Port or Rail Freight	0
Other	4

## 5.2 Relocation to Smaller Premises

From the 86 businesses that would like to relocate in 5 years time within Poole or Bournemouth, 5 businesses indicated that they would like to relocate to premises that are smaller than the existing premises that they operate from.

Table 15 details the number of employees in each of the businesses that have indicated a plan to relocate to a smaller sized premises within the next 5 years.

**Table 15: The number of Employees in businesses planning to relocate to same sized premises**

Size of Existing Premises (Sq metres)	Number of employees					
	1-4	5-9	10-24	25-49	50-99	100+
>49						
50-149	1	1				
150-249						
250-499	1					
500-749	1					
750-1499				1		
1500+						

Reasons provided by those 5 businesses to relocate are as follows:

- End of lease = 2
- Expansion = 1
- Possible need to downsize = 1
- Closer to employees resident = 1

Table 16 details the types of premises sought after by the local businesses. The most popular type of premises is an established industrial unit within an industrial estate.

**Table 16: Types of Premises sought after**

Type of premises	Number of Businesses
Modern purpose built office	0
Modern purpose built industrial unit within Business Park	1
Established industrial unit within Industrial Estate	2
Established office accommodation	1
Incubator/Serviced accommodation	0
Premises with Port or Rail Freight	0
Other	0
No response	1

### 5.3 Relocation to Larger Premises

From the 86 businesses that would like to relocate in 5 years time within Poole or Bournemouth, 43 businesses indicated that they would like to relocate to premises that are smaller than the existing premises that they operate from.

Table 15 details the number of employees in each of the businesses that have indicated a plan to relocate to a smaller sized premises within the next 5 years.

**Table 17: The number of Employees in businesses planning to relocate to same sized premises**

Size of Existing Premises (Sq metres)	Number of employees					
	1-4	5-9	10-24	25-49	50-99	100+
>49	3		2			
50-149	6	2	5	1		1
150-249	3	5	5	1		
250-499	1	1		1		
500-749		1	3	3	1	
750-1499		1				
1500+						

Reasons provided by those 43 businesses to relocate are as follows:

- Expansion = 30
- Purchase of freehold = 4
- Customer base = 2
- Closer to employees resident = 2
- Other = 5: reasons given: - *'combine Poole and Bournemouth offices'*.  
- *'Parking'*.

Table 18 details the types of premises sought after by the local businesses. The most popular are Modern purpose built industrial units within Business Park and Modern purpose built office.

**Table 18: Types of Premises sought after**

Type of premises	Number of Businesses
Modern purpose built office	11
Modern purpose built industrial unit within Business Park	17
Established industrial unit within Industrial Estate	9
Established office accommodation	1
Incubator/Service accommodation	0
Premises with Port or Rail Freight	0
Other	2
No response	3

## 6.0 Concluding Points

The analysis conducted on those businesses that intend to relocate within Poole/Bournemouth within the next 5 years has shown that the following factors need to potentially be considered in order to satisfy the future requirements of businesses:

- Businesses require larger premises, particularly premises of the following sizes: 150-249 sq metres and 250-449 sq metres.
- Modern purpose built Industrial Units within Business Parks and Modern Built Office are the types of premises most in demand.
- Most prevailing reason to relocate is 'Expansion'.
- The most important location requirements identified are premises size, access to and from the premises and the price of the premises.
- Many businesses have a preference for freehold premises.
- Businesses planning to relocate outside Poole/Bournemouth highlighted 'high price and rates' as an important factor in their decision.

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