

Maylands Masterplan Plus

Appendix C: Baseline Reports 13.09.2024



Working with



Revisions tracker

Revision	Date	Description
-	07.06.2024	Final issue
A	13.09.2024	Revised final issue

Contents

01 Commercial Assessment

- Study area
- Policy drivers
- Economic sectors
- Property market sectors
- Supply
- Conclusions
- SWOT

02 Place

- Strategic context
- Site context
- SWOT and key findings

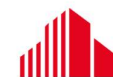
03 Transport and Infrastructure

- Introduction
- Non-technical summary
- Current Maylands travel behaviours
- Infrastructure appraisal
- Network performance
- Car and cycle parking
- Known infrastructure proposals
- SWOT appraisal

MAYLANDS BUSINESS PARK MASTERPLAN PLUS

APPENDIX A2- Baseline Report - Commercial Assessment

DECEMBER 2023



CUSHMAN &
WAKEFIELD

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Despite the initial recovery of the economy from the pandemic, the UK is currently experiencing heightened uncertainty due to the wider global impacts from the war in Ukraine, increased inflationary pressures with inflation being at a 40 year high and employees in several sectors threatening industrial action in response to the higher costs of living expenses. The Bank of England has increased interest rates in response to inflation resulting in higher borrowing costs.

These factors are impacting on growth and consumer confidence. In recognition of the potential for market conditions to move rapidly in response to wider political and economic changes, and the impact that such could have on development appraisal variables, we highlight the importance of the date of our assessment.

Specifically in respect of build cost inflation, C&W is currently seeing significant variation in tendered build costs across all sectors driven by supply chain shortages affecting the construction industry. As a result, the build cost assumptions that have been applied in this appraisal/assessment are susceptible to short term changes which could have a material bearing on viability and/or residual land values. As a matter of prudence we recommend that where not already provided, sensitivities should be examined to test the effects of such variations and that further advice should be sought to market test such cost assumptions to inform decision making and prior to any investment commitments. It is also recommended that changes in build costs are closely monitored and the impacts on development viability kept under review.

1. INTRODUCTION AND SCOPE OF WORK

This report sets out potential drivers of development to inform the Maylands Business Park Plus masterplan.

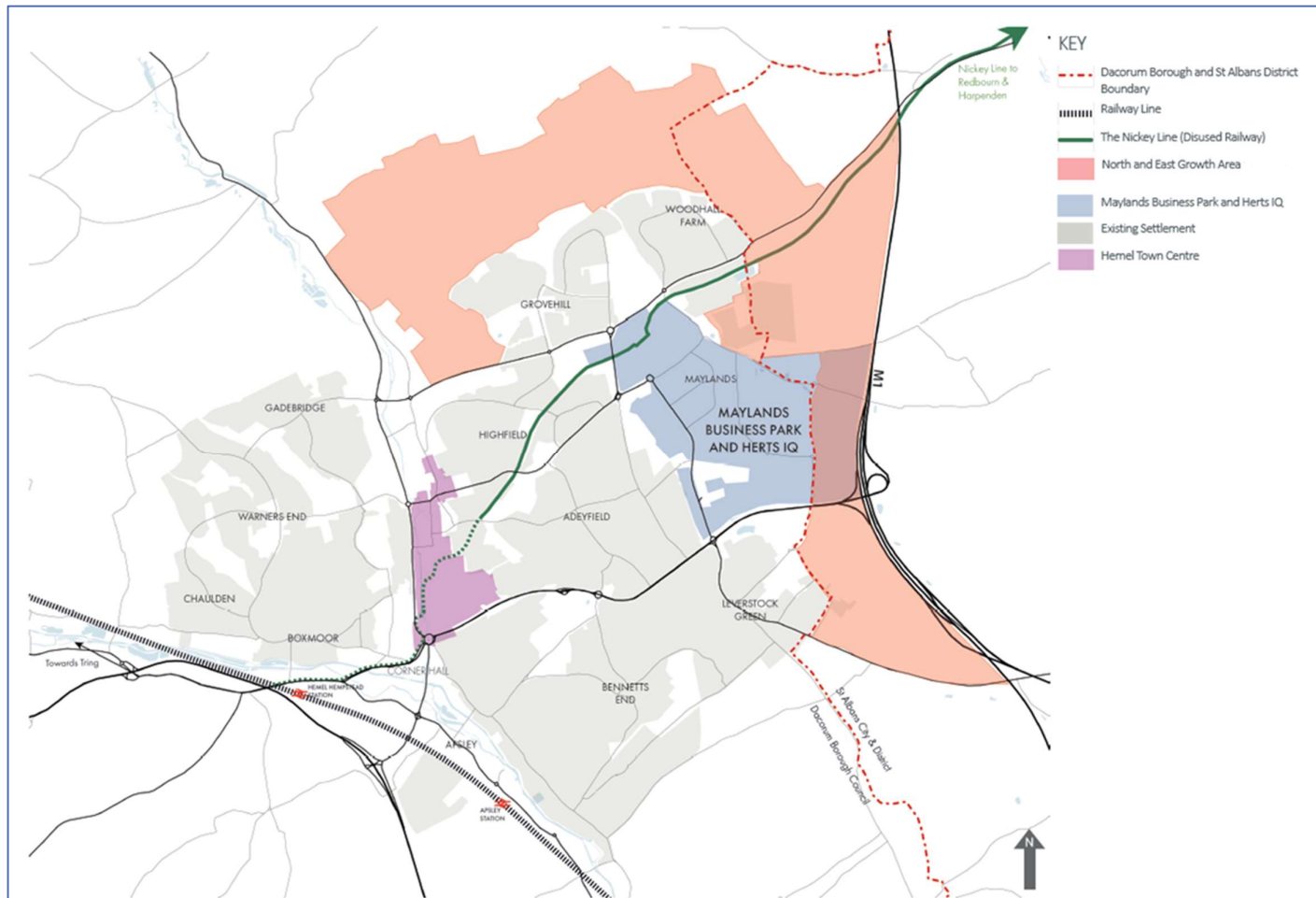
These drivers comprise:

- Policy Drivers, including national and local planning policy, plus relevant economic development policy.
- Economic and Market Drivers, including:
 - Economic Sectors
 - Property Market Sectors
 - Supply, to include current availability, construction and planning pipeline, and future allocations.

1.1. The Study Area: Definition

The Study Area is defined in the brief as the area shaded blue in the plan in Figure 1. However, economic, functional and physical relationships with surrounding areas are also considered, particularly in the context of the Hemel Garden Communities initiative.

Figure 1 – The Study Area



2. POLICY DRIVERS

2.1.National Planning Policy

2.1.1. National Planning Policy Framework, September 2023 (NPPF)

Local planning authorities (LPAs) should take the NPPF into account in the preparation of Local Plans. The presumption in favour of sustainable development is a key objective for both plan-making and decision-taking, and the NPPF (paragraph 11) sets out the Government’s view of what constitutes sustainable development.

For plan-making the NPPF states that plans should promote a sustainable pattern of development by seeking to meet the development needs of their area, align growth and infrastructure, and improve the environment. For decision-taking the onus is on LPAs to approve development proposals that accord with an up-to-date development plan without delay. Where the development plan is silent, or policies are out-of-date, permission should be granted unless there is a clear reason for refusal.

Chapter 3 Plan-making provides guidance to LPAs on preparing their development plans. Paragraph 20 requires plans to include strategic policies that make sufficient provision for (inter alia) housing, employment, retail, leisure and other commercial development, alongside infrastructure and community facilities.

Paragraph 31 states that planning policies should be underpinned by relevant and up-to-date evidence. To ensure plans and spatial development strategies are relevant they should be reviewed at least once every five years and updated as necessary (paragraph 33).

Chapter 6 Building a strong, competitive economy requires planning policies to create the conditions in which businesses can invest, expand and adapt. It states that planning policies should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future, including by setting out a clear economic strategy and being flexible enough to accommodate needs not anticipated in the development plan.

Chapter 9 Promoting Sustainable Transport requires that transport issues are considered from the earliest stages of plan-making and development proposals so the potential impacts of development on transport networks can be addressed and mitigated, with options such as walking and public transport are promoted. Designs should support an appropriate mix of uses across an area, and within larger scale sites, to minimise the number and length of journeys needed for employment, shopping, leisure, education and other activities.

Chapter 11 Making effective use of land states planning policies and decisions should promote an effective use of land in meeting the need for homes and other uses, while safeguarding and improving the environment and ensuring safe and healthy living conditions and should make as much use as possible of previously developed or ‘brownfield’ land.

In 2020 the Town and Country Planning (Use Classes) (Amendment) (England) Regulations amended the previous (1987) order, introducing significant changes to the use classes system. From September 2020, classes A, B1 and D1 have been replaced by a new Class E, which covers commercial, business and services, and F1 & F2 cover learning and non-residential institutions, and local community uses respectively. The Government’s justification for these changes was to enable more straightforward repurposing of commercial buildings between what was previously classes A, B and D1.

A further change which has already significantly impacted upon the County’s office stocks, is the Town and Country Planning (General Permitted Development) (England) Order 2015. This Order permitted changes of use from office to residential in most scenarios without needing to obtain planning permission. This Order has since been – in effect – removed in several parts of the Study Area using an Article 4 direction, more details of which are set out on Page 15 of this report.

2.2. Local Planning Policy

2.2.1. Hemel Garden Communities

A Hemel Garden Communities (“HGC”) bid was submitted in 2018 to the Department for Levelling Up, Housing and Communities to award Hemel Hempstead “Garden Town” status; the HGC Programme looks beyond the emerging Local Plan period to a longer timeframe of 2050, and a grant was awarded in 2019 to help develop the town into a garden community of the future.

The HGC programme is a proposal designed to transform and grow Hemel Hempstead and create attractive, sustainable new neighbourhoods to its north and east by 2050. Collaborating as a partnership, St Albans City and District Council, Dacorum Borough Council, Hertfordshire County Council, the Hertfordshire Local Enterprise Partnership and the Hertfordshire Innovation Quarter are working together, alongside stakeholders and landowners, to develop a strategic approach to ensure homes, employment opportunities and new infrastructure is transformative to the whole town of Hemel Hempstead and the wider area.

The HGC Position Statement (July 2023) mission statement sets out the goal for the area as follows: “Supported by the Town and Country Planning Association (TCPA) Garden City Principles, Hemel Garden Communities (HGC) will take the best of the New Town heritage into the 21st Century. This includes over 11,000 homes, 10,000 jobs, and with Hertfordshire Innovation Quarter (Herts IQ) at its heart, anchoring the transformation of Hemel Hempstead and the wider area”.

The Programme Area includes the town of Hemel Hempstead, the proposed growth areas to the north and east of the town, the employment areas of Maylands Business Park and the proposed employment land forming part of the Hertfordshire Innovation Quarter, Two Waters Opportunity area, and Apsley. The HGC Spatial Vision affirms that the Garden Communities Area will be home to inclusive, integrated neighbourhoods connected by a green network, and thoughtfully designed places with engaged communities, all underpinned by digital connectivity, a self-sustaining economy and pioneering green technology driven by Hertfordshire Innovation Quarter.

The new “Growth Areas” will offer new employment opportunities at Herts IQ, and deliver new infrastructure to meet the needs of its residents. These will include provision of new neighbourhood centres, education, green spaces, and household waste and recycling facilities.

The Spatial Vision (2020) continues by asserting that the Hemel Garden Communities area will be based around a self-sustaining green economy, with employment in the Study Area diversified by growth in companies specialising in the built environment technologies, with a focus on agricultural and construction sectors; the document envisages the East of Maylands site – within the IQ boundary and within the Study Area – as being capable of providing an additional 8,000 jobs. Additionally, “Pillar 3” of the document – “A Self Sustaining Economy” – contends that in order for Maylands to thrive it is necessary for the commercial offer to diversify, providing public and social facilities.

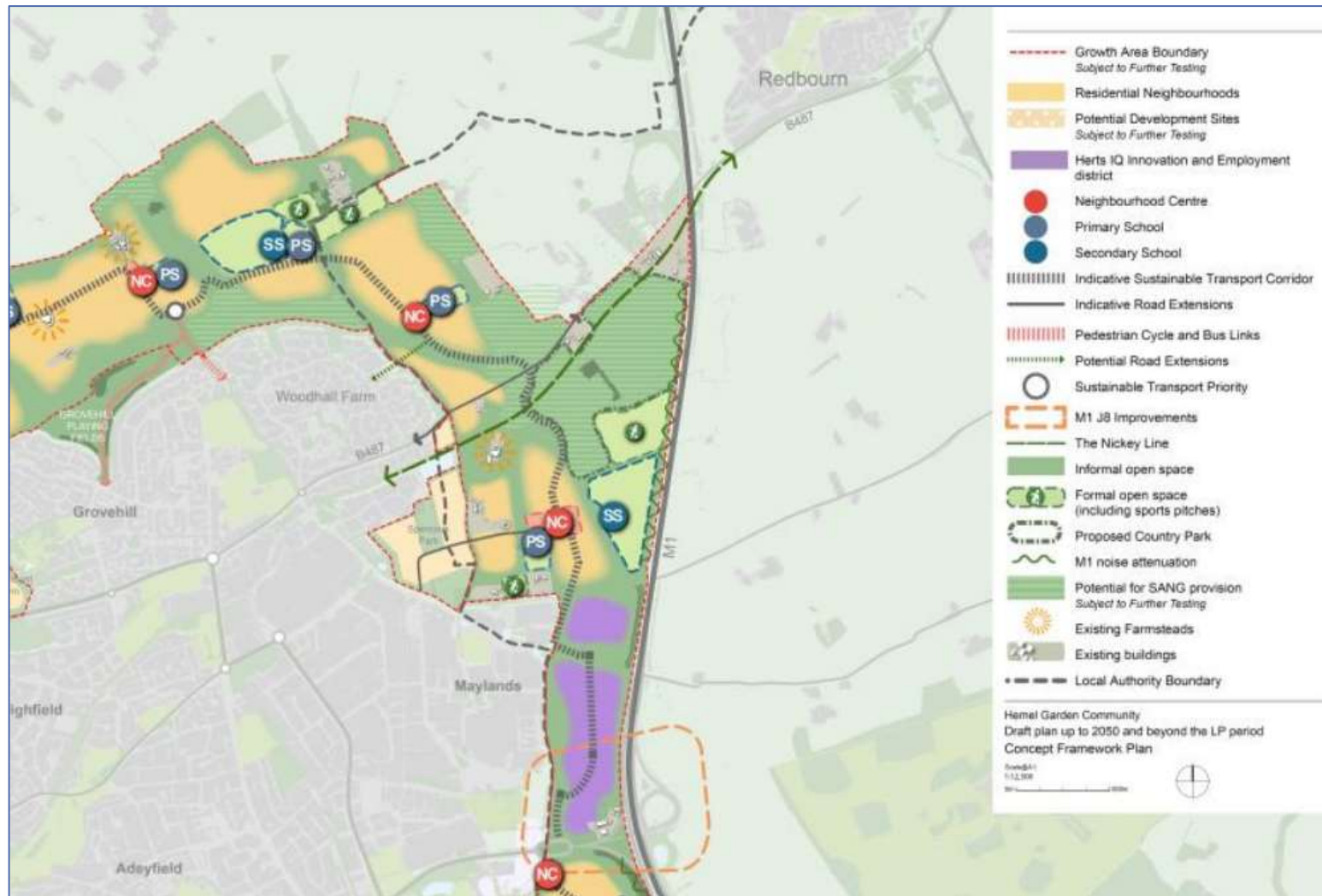
There are two recently permitted schemes within the HGC growth area, one of which is on the north eastern edge of the Study Area at Spencer’s Park Phase 2. This scheme has outline planning permission. It connects the town, Maylands Business Park, Nickey Line and North and East of Hemel Hempstead Growth Areas. Permission for the scheme was granted in 2019 for up to 600 homes, a primary school, a local centre and up to 7,500m² of employment uses, landscaping, and infrastructure works including new roundabout access off Three Cherry Trees Lane. The site will also accommodate the largest Homes England Modern Methods of Construction (MMC) pilot which contribute to the green economy objectives of the HGC.

A Framework Plan Concept Plan (figure 2) has been prepared to represent the work, studies and testing carried out to date by HGC. The Concept Plan is indicative and this plan focuses on the North and East Growth Areas. The locations shown for infrastructure such as schools and neighbourhood centres are illustrative and not finalised. The purpose of the Framework Plan is to provide a single, holistic spatial and infrastructure framework for the HGC Programme Area, with a detailed focus on North and East of Hemel Hempstead Growth Areas. It will provide a strategic outline of infrastructure requirements for the wider town with regard to the growth and transformation objectives.

The Framework Plan seeks to test the capacity of the site and any reasonable options to deliver 11,000 homes and 10,000 jobs along with other relevant and/ or emerging policy requirements including appropriate standards of open space, sustainable drainage, biodiversity net gain, Suitable Alternative Natural Greenspace (SANG), primary and secondary schools, and transport and highways and active and sustainable travel. It will form part of the Local Plan evidence base to support the anticipated growth of the town.

The Emerging Hertfordshire innovation quarter vision document, anticipated for completion in 2023-24, will review the vision for Herts IQ, since its became operational as an Enterprise Zone in 2017 and in light of economic changes post Covid-19. The work will review if the current employment concept, delivery timescales, outputs and financial arrangements are still appropriate, including key liaison between stakeholders to maximise its Enterprise Zone status, along with considering the evidence and practical steps required to draw-in economic development projects to drive positive change and place-making. This workstream will support HGC's Spatial Vision aims for a self-sustaining economy and the emerging work regarding the Maylands Plus Masterplan. In addition, a Strategic Design Code is being produced between January-March 2024 focussing on the growth areas - guidance will identify priorities and high level guidance for Herts IQ and Local Centres. A Socio-Economic Demographic Study and Learning Framework is also underway which will consider who will live in the growth areas and what jobs, skills and learning institutions can realise the ambitions, including soft market testing of Universities.

Figure 2 – Emerging Indicative Concept Plan



2.2.2. Dacorum Borough Council

Adopted

The Dacorum Borough Local Plan (adopted 2004) identifies the primary uses for the Study Area as:

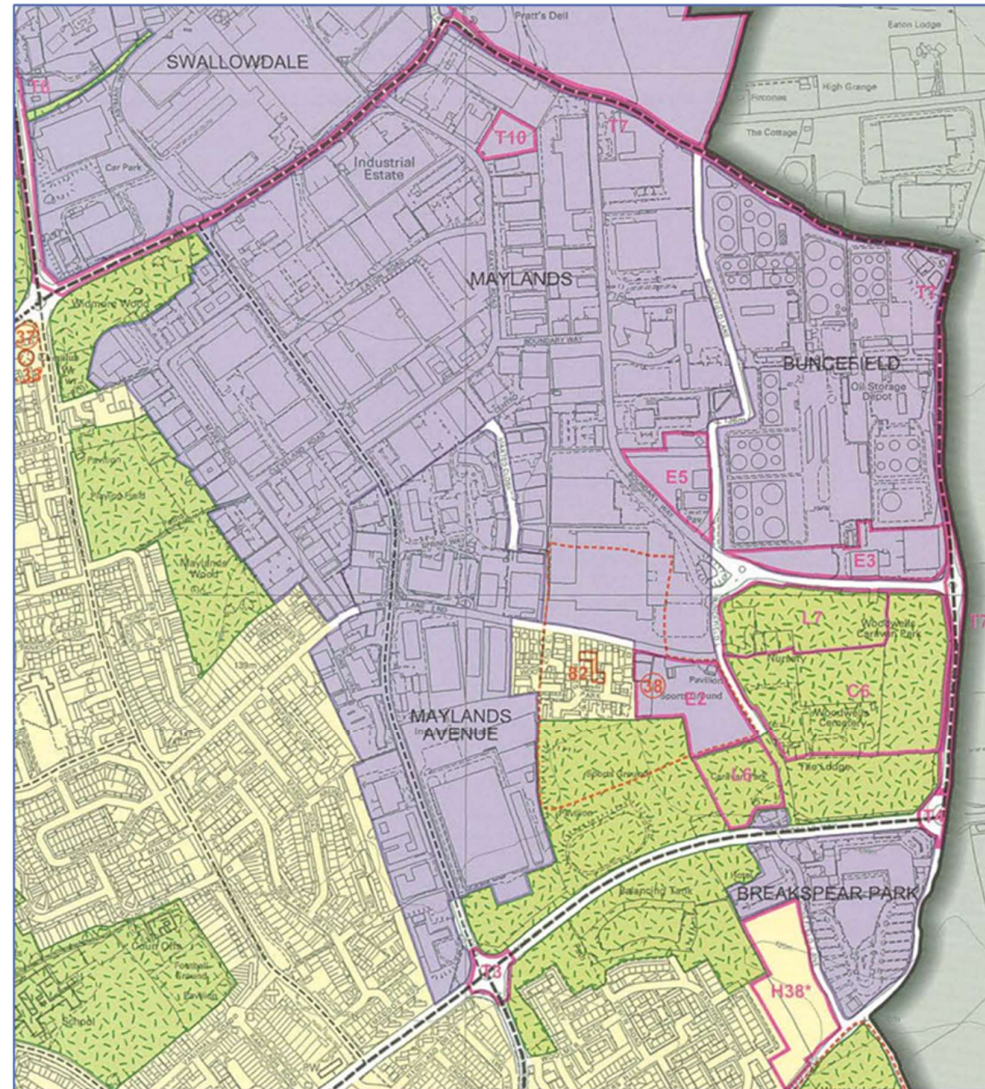
- Business: In this report defined as and captured by the offices, Flexible Office Space and Research & Development sections. It defines the Core Office Location as Maylands Avenue.
- Industry, Storage and Distribution Other Significant Uses, in this report captured by the Industrial & Logistics, Data Centres and Research & Development sections.
- Small scale retail uses: This has been captured by the Retail/ Leisure section of this report, on the understanding that this use will be acceptable in planning terms if primarily required to serve this area.
- Hotel is also considered to be an acceptable use within the Study Area.

Policy 31 of the Local Plan states that Development and redevelopment will be permitted in General Employment Areas for the range of employment generating uses as described in this section. Firstly, it states that – without reference to specific sites – small scale retail uses will be acceptable if they are primarily needed to serve this area. The remaining proposed uses for development are on a site-by-site basis with reference to the sites depicted in Figure 3.

- Sites E2 (Buncefield Lane (West/Wood Lane End (South). E3 (Boundary Way (North)) and E5 (Boundary Way (East)) for industry, storage and distribution development in the Schedule of Employment Proposal Sites.
- Boundary Way link to Proposal Site E2.
- Safeguard Proposal Site T10 (existing lorry park);
- Safeguard Schemes T5 (Swallowdale Lane widening), T7 and Tiv (North East Hemel Hempstead relief road) and Tv (Buncefield Lane cycleway) and its environment.

Development may be restricted because of the storage of notifiable hazardous substances at the Buncefield Oil Terminal (a 190 m consultation zone applies) and at Three Cherry Trees Lane (where a specified consultation zone applies).

Figure 3 – Local Plan Development Sites Map



The **Dacorum Core Strategy (adopted 2013)** is the principal planning policy document. The primary policies relevant to the Study Area have been summarised below:

CS14

Development that supports the knowledge-based economy, the transition to a low carbon economy, the rural economy and sustainable tourism, will be particularly encouraged.

CS15

A minimum area of land will be identified and retained for B class uses. It comprises:

- General Employment Areas;
- Employment proposal sites;
- Land in town and local centres; and
- Employment areas in the Green Belt.

The area will be managed so that between 2006 and 2031:

- A target of around 131,000 sq m (net) additional office floorspace can be met: and
- The stock of floorspace for industry, storage and distribution remains broadly unchanged.

Development proposals that include provision for small businesses will be encouraged, and General Employment Areas will be protected for Office uses, and development of such space will be supported provided that it is in accordance with the specific uses permissible in each General Employment Area and contributes to environmental improvements within the General Employment Area.

CS34

New development will contribute fully to the achievement of use, movement and design principles, and meet relevant opportunities for character zones within Maylands Business Park. The key principles guiding development of different uses are to:

- Secure HQ offices and other, complementary uses in an open land setting in Maylands Gateway¹, while delivering services and facilities to support small and large businesses in appropriate character zones.
- Deliver a local centre in the Heart of Maylands² to support residents and workers;
- Create an energy park or alternative provision for green energy generation.

Regarding movement throughout the Study Area, CS34 will – through development – seek to secure an integrated public transport hub, facilitate easier walking and cycling throughout the business park, create a new access point off Breakspear Way to link to Boundary Way, complete the North East Hemel Hempstead relief road, and secure a lorry parking facility near the North East Hemel Hempstead relief road.

From a design perspective, development should emphasise the importance of movement gateways through appropriate features and bolder building design, height and landscaping, distinguish between character zones and follow a co-ordinated approach to building design, movement and streetscape, and deliver district heating and additional large-scale/high capacity renewable energy generation technologies.

¹ References to locations within the Study Area have been depicted on “Figure 22” of the Core Strategy (September 2013), which is Figure 4 within this report.

² References to locations within the Study Area have been depicted on “Figure 22” of the Core Strategy (September 2013), which is Figure 4 within this report.

Figure 18

Figure 18 of the Core Strategy describes the different character areas of the Study Area, and states that developers must consider the relationship of the proposed development with its character zone and the opportunities available²:

Maylands Gateway

The area to the north of Breakspear Way offers opportunities to provide HQ offices, conference facilities and a hotel. There may also be opportunities for other development that accords with its high-status and green character. There are opportunities for decentralised heating systems or combined heat and power (CHP).

The Heart of Maylands

This zone offers the opportunity to form a functional local centre with financial and commercial services, restaurants, cafes, leisure uses and a public square. Around 250 homes should be provided here.

The Face of Maylands

Core office location suitable for HQ offices and large organisations. There is scope for general industrial, storage and distribution.

The Engine Room

A mix of industrial and commercial uses, as well as more flexible business uses.

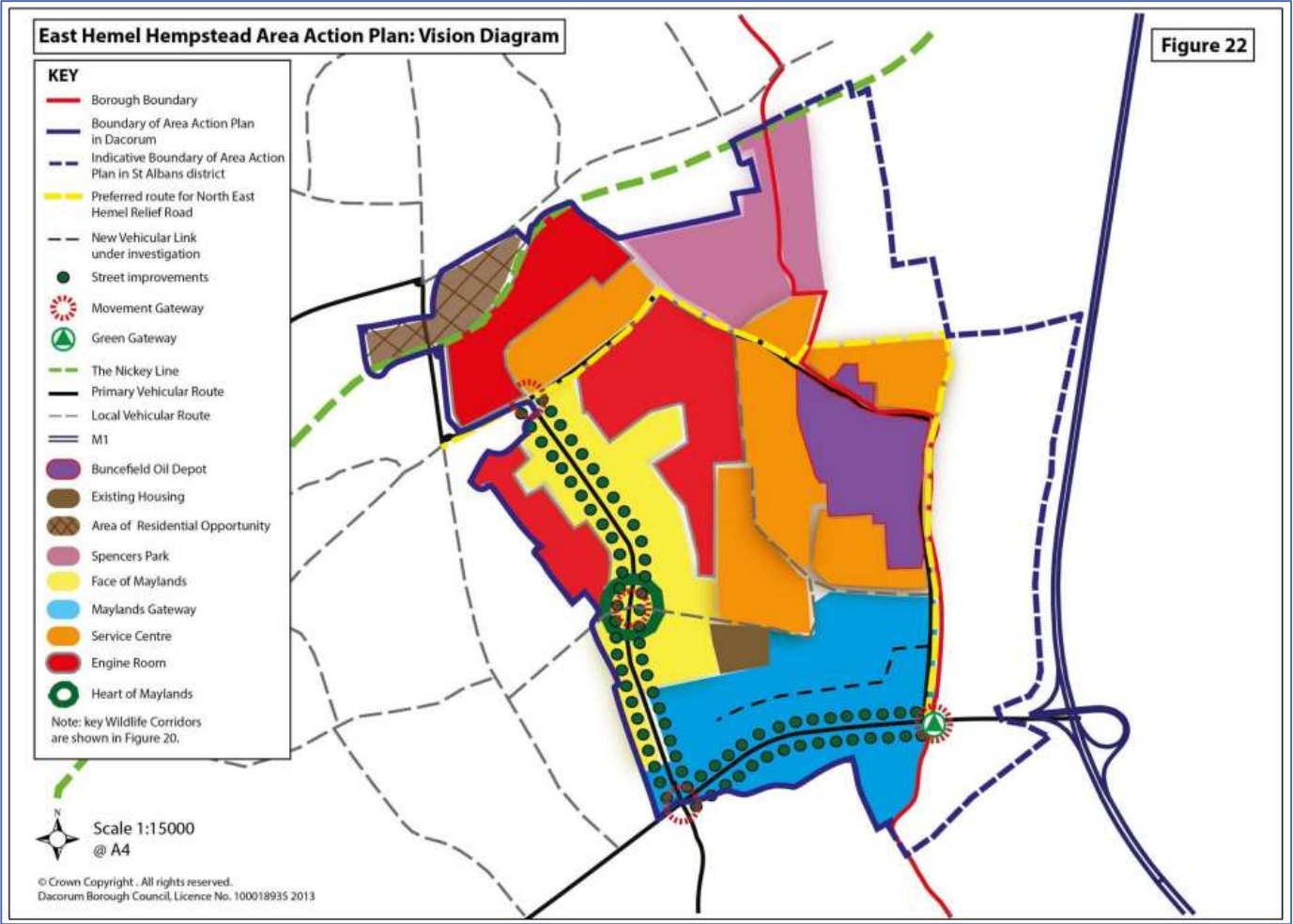
The Service Centre

Storage, distribution and warehousing.

Spencer's Park

Prime land for residential development. Development on greenfield land also offers opportunities for decentralised heating systems or CHP.

Figure 4 – Figure 22 of the Core Strategy



The **Two Waters Masterplan Guidance (2018)** seeks to manage growth and provide a flexible holistic strategy to guide development of the Two Waters area, which is a 124 hectare area between Hemel Hempstead and Apsley Rail Stations, and the Plough Roundabout.

Two of the stated targets of this report are:

1. To focus activities such as retail, business, leisure and community uses where they are most accessible,
2. Densify residential/ mixed use developments around Gateway Locations.

These targets are of particular pertinence for this report as development around Apsley in particular may impact upon the Study Area. The area surrounding Apsley Station currently houses a retail park, and in order to meet the above two goals, there is a chance that the retail park will be replaced with higher density residential, with more town centre appropriate retail at ground floor level. Such a scenario has the potential to impact upon the strategy at the Study Area, as there may be potential to house these retailers at a more extensive development within the Study Area.

Emerging

Joint Strategic Plan for South West Hertfordshire (Emerging)

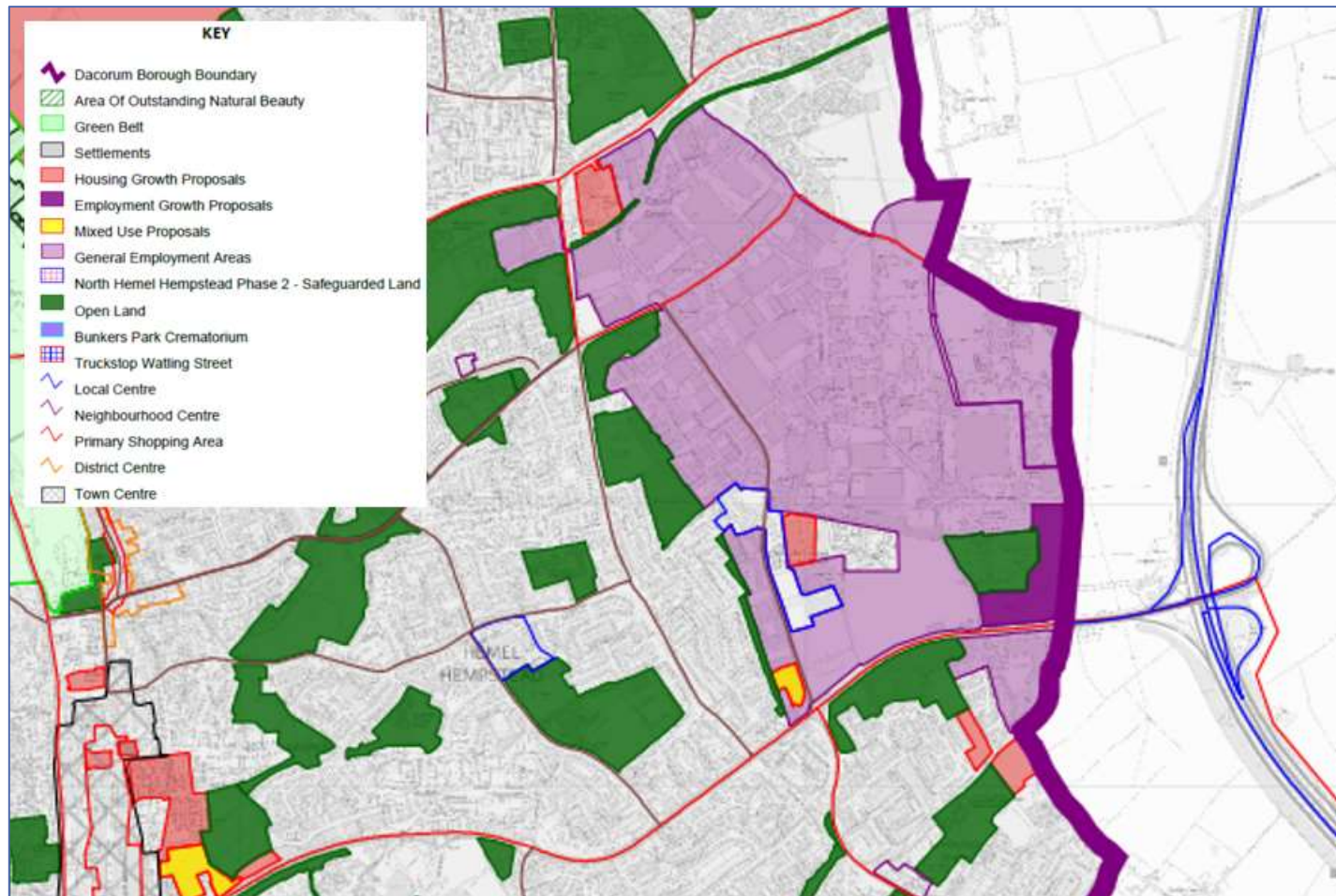
Work is taking place across South West Hertfordshire on a Joint Strategic Plan (JSP) that will provide a long-term blueprint for the area to 2050. It will consider and address issues that cross council boundaries and set out a strategic vision for the area. It will also help guide future plans and strategies by setting out high level policies on topics such as climate change, infrastructure, environmental protection, employment and housing.

This is being progressed by five councils (Dacorum Borough Council, Hertsmere Borough Council, St Albans City and District Council, Three Rivers District Council and Watford Borough Council) which is supported by Hertfordshire County Council. The key aim of the SW Herts JSP will be to ensure that infrastructure such as transport, schools, health, and utilities is well coordinated and delivered together with new homes and jobs.

Dacorum Local Plan Emerging Strategy 2020 – 2038

The Local Plan Emerging Strategy includes sections that address issues relevant to the Study Area which will be summarised here.

Figure 5 – Local Plan Emerging Growth Strategy 2020 – 2038 Draft Proposals Map (Zoomed to focus on Study Area)



The Spatial Strategy for Growth, **Policy SP2**, states that the Local Plan will make provision for a minimum of 16,596 homes, no net loss of office floorspace from 2025 onwards, and a net floorspace increase of 116,500 sqm (1.25 million sqft) of industrial space between 2018 and 2036 throughout Dacorum’s Employment Growth Areas.

Policy SP5 – Delivering the Employment Strategy states that over the Local Plan period the Council will seek to grow and develop Dacorum’s economy by capitalising upon the Borough’s proximity to the M25 and M1 motorways, London, and the wider Herts IQ. The strategy for supporting economic needs will be delivered by:

- a. The continued development of Hemel Hempstead as an important economic centre for the Borough.

- b. Supporting the knowledge-based economy, including the development of green technological businesses at Maylands Gateway close to M1 Junction 8 in the Hertfordshire Innovation Quarter Enterprise Zone.
- c. Attracting new businesses, encouraging business start-ups and assisting businesses to grow, particularly on Employment Growth Areas, where provision for small and medium sized businesses will be required.
- d. Planning to meet the following indicative floorspace figures:
 - i. Offices: no net loss of space from 2025 onwards.
 - ii. Industrial: net floorspace increase of 116,500 sqm between 2018 and 2036
- e. Supporting the expansion of Maylands Business Park onto the East Hemel Hempstead site in St Albans City and District, to accommodate Dacorum's unmet need for office and industrial floorspace.
- f. Retaining and developing existing employment sites that meet longer term needs for a wide range of office and industrial uses, and releasing sites that do not meet future requirements.
- g. Encouraging offices in town, district and local centres.
- h. Allocating 20 ha of office and industrial development land within use classes E, B2 and B8 at Growth Areas **HH20, HH16**, Tr01, Cy01 and Cy02 (emphasis for those Growth Areas within the Study Area).

Enterprise Zone aspirations

General Employment Areas (GEAs) are shown on the Policies Map (figure 5). **Policy DM16** states that, within GEAs, development and redevelopment will be permitted for office, industrial and warehousing uses as set out below:

Non-office and industrial uses will be permitted if they satisfy one or more of the following:

- i. are similar in nature to office, industrial or warehousing uses and will strengthen the economic role of the GEA,
- j. will not undermine the particular role of the GEA as an employment and economic centre, or
- k. will provide important services and facilities that would enhance the attractiveness of the GEA as an economic centre.

Depending on the size, character and location of the GEA, acceptable uses include the following:

- a. sui generis uses of a similar nature to office, industrial or warehousing uses
- b. Public houses and takeaways
- c. Hotels
- d. Trade counter uses
- e. Community uses, such as day nurseries and creches.

Figure 6 – Article 4 Direction Map

Year	1997	2000	2003	2006	2009	2012	2015	2018	2021	2024
Population (millions)	1.2	1.3	1.4	1.5	1.6	1.7	1.8	1.9	2.0	2.1
GDP (trillions of USD)	0.5	0.8	1.2	1.8	2.5	3.5	4.5	5.5	6.5	7.5
Life expectancy (years)	75	77	79	81	83	85	87	89	91	93
Urban population (%)	40	50	60	70	80	90	95	98	100	100
Renewable energy (%)	10	15	20	25	30	35	40	45	50	55
Internet usage (%)	5	10	20	35	50	65	80	90	95	100
CO2 emissions (Gt)	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0
Healthcare spending (GDP %)	5	6	7	8	9	10	11	12	13	14
Research & Development (GDP %)	2	2.5	3	3.5	4	4.5	5	5.5	6	6.5
Unemployment (%)	10	12	15	18	20	22	25	28	30	32
Immigration (millions)	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0
Trade share (GDP %)	15	20	25	30	35	40	45	50	55	60
Government spending (GDP %)	30	32	35	38	40	42	45	48	50	52
Private sector growth (%)	8	9	10	11	12	13	14	15	16	17
Public sector growth (%)	5	6	7	8	9	10	11	12	13	14
Infrastructure investment (GDP %)	3	3.5	4	4.5	5	5.5	6	6.5	7	7.5
Education spending (GDP %)	4	4.5	5	5.5	6	6.5	7	7.5	8	8.5
Healthcare spending (GDP %)	5	6	7	8	9	10	11	12	13	14
Research & Development (GDP %)	2	2.5	3	3.5	4	4.5	5	5.5	6	6.5
Unemployment (%)	10	12	15	18	20	22	25	28	30	32
Immigration (millions)	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0
Trade share (GDP %)	15	20	25	30	35	40	45	50	55	60
Government spending (GDP %)	30	32	35	38	40	42	45	48	50	52
Private sector growth (%)	8	9	10	11	12	13	14	15	16	17
Public sector growth (%)	5	6	7	8	9	10	11	12	13	14
Infrastructure investment (GDP %)	3	3.5	4	4.5	5	5.5	6	6.5	7	7.5
Education spending (GDP %)	4	4.5	5	5.5	6	6.5	7	7.5	8	8.5
Healthcare spending (GDP %)	5	6	7	8	9	10	11	12	13	14
Research & Development (GDP %)	2	2.5	3	3.5	4	4.5	5	5.5	6	6.5
Unemployment (%)	10	12	15	18	20	22	25	28	30	32
Immigration (millions)	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	1.0
Trade share (GDP %)	15	20	25	30	35	40	45	50	55	60
Government spending (GDP %)	30	32	35	38	40	42	45	48	50	52
Private sector growth (%)	8	9	10	11	12	13	14	15	16	17
Public sector growth (%)	5	6	7	8	9	10	11	12	13	14
Infrastructure investment (GDP %)	3	3.5	4	4.5	5	5.5	6	6.5	7	7.5
Education spending (GDP %)	4	4.5	5	5.5	6	6.5	7	7.5	8	8.5
Healthcare spending (GDP %)	5	6	7	8	9	10	11	12	13	14
Research & Development (GDP %)	2	2.5	3	3.5	4	4.5	5	5.5	6	6.5
Unemployment (%)	10	12	15	18	20	22	25	28	30	32
Immigration										

Growth Area HH17: Cupid Green Depot



2.9 Hectare development site identified for residential development of c. 360 dwellings of between three and five storeys, subject to masterplanning.

Growth Area HH18: Kier Park

1 Hectare development site Identified for residential development of c. 250 dwellings, with heights maximised relative to neighbouring uses.

Additional 1,400 sqm (15,000 sqft) of office space.



Growth Area HH19: Wood Lane End



1.88 Hectare site, identified for residential development of c. 160 dwellings, with heights maximised relative to neighbouring uses in accordance with Policy DM41. Development has commenced at this site, which is referred to as Zoffany Place in Section 3.3.8 of this report.

Growth Area HH20: Breakspear Way/ Green Lane/ Boundary Way, Maylands Gateway

6.6 Hectare site, allocated for employment development for offices, industrial and storage or distribution use - providing around 48,000 sqm (517k sqft) gross internal floorspace of offices, 24,000 sqm (258k sqft) of industrial space or a mix of the two. Offices along Breakspear Way should be a maximum of six storeys in height.

Land on the corner of the site fronting Breakspear Way/Green Lane should be developed for offices, unless market evidence shows that there is no commercial interest in such development, in which case any industrial development there should provide an active frontage to Breakspear Way.

The site is located in the Hertfordshire Innovation Quarter Enterprise Zone and development (unless complying with points 3 and 4 below) should consist of uses consistent with the aims of the enterprise zone. The northern half of the site will also need to have regard for the requirements of the consultation zone for Buncefield.



2.2.3. St Albans

Adopted

City and District of St Albans District Local Plan Review 1994: Saved and Deleted Policies Version (July 2020)

The whole of St. Albans District lies within the Metropolitan Green Belt, with several exceptions, including “Land North of Buncefield, Hemel Hempstead”, which is proposed for warehousing. As it stands, a small amount of space due north of Buncefield has been developed as warehousing, but the majority remains in use as farmland.

Policy 26 also allocates land for employment development at North East Hemel Hempstead, with priority given to specialised technological activities. Planning permission on a portion of this land has recently been granted – and work is now underway – as a new residential neighbourhood instead of its original allocation for employment.

Emerging

St Albans Draft Local Plan 2041 – Regulation 18 Public Consultation (July 2023)

There is provision within this latest Local Plan Document that supports the transformation of Hemel Hempstead. Under this policy, **Policy LG2**, provision will be made for employment within an expanded Maylands Business Park, with the Hertfordshire Innovation Quarter leading the way for new employment opportunities. This includes the stated aim of creating 8,000 jobs in Maylands, and a further 2,000 jobs enabled through the growth of Hemel Hempstead. All development must be planned in accordance with the HGC Spatial Vision, HGC Charter and HGC Place Principles (Policy LG3). This is demonstrated within the Emerging Indicative Concept Plan in Figure 2 above, which has been cropped for this report to present the Study Area clearly.

Appendix 1 of the Draft Local Plan establishes a clear position for “Site H3”, as the Crown Estate land at East Hemel Hempstead (Figure 3) is referred to in the document. The land will be used to provide a major urban extension of Hemel Hempstead that provides a major new Enviro-Tech focused employment location, including high-quality offices, research and development, light industrial and logistics, and the first phase of employment development will provide an innovation hub prioritising space for start-up units in high quality buildings and grow on space for small businesses.

Ancillary uses will be supported where they meet the needs of businesses. An overconcentration of low employment generating logistics uses will not be permitted. The breakdown of the site’s uses is as follows:

- The southern approximately 17 Hectares of the site will promote high density employment uses to deliver a Business, Research and Development Park.
- The remaining approximately 38 Hectares to the north of the site will promote uses such as logistics and mixed industrial areas.

2.3. Economic Development Policy

2.3.1. Herts LEP

Hertfordshire Skills and Employment Strategy 2021 - 2024

The Hertfordshire Skills and Employment Strategy has been produced by the LEP in collaboration with the County Council and the Department for Work and Pensions. Its aim is to set out the goals for the County to ensure its skills provision addresses local skills challenges and opportunities, and meets employment needs for the future.

Of particular pertinence for this study are the published strategy of the LEP, the predictions regarding future employment needs, and the assessments of existing strengths and weaknesses of the County's employment base. Additionally, the document names the LEP's economic growth sectors: life sciences, advanced engineering and manufacturing, creative, smart construction, agri-tech, and knowledge and digital based assets.

There are several overarching ambitions drawn from the document that we consider to be directly relevant to this study. For example, there is an ambition to support SMEs to build and develop their workforce in the region, and to invest in skills of the future, including within the aforementioned prescribed economic growth sectors.

Beyond these wider-reaching goals, several goals for the IQ area (and therefore a portion of the Study Area) are outlined within this document. Most importantly, the vision of the IQ, to create Europe's most desirable, sustainable and in demand business hub operating in modern construction, Agri-tech and related digital and environmental technologies.

The evidence upon which these ambitions and strategies are based is – due to the nature of the study – generally assessing Hertfordshire as a whole, and there is little research dedicated to the Study Area specifically. For example, Hertfordshire is justifiably referred to as being at the core of the UK's science, research and innovation hub, and at the heart of the UK's Golden Research Triangle of London – Cambridge – Oxford, an economic area renowned as an engine of growth. Wider Hertfordshire benefits from this position significantly, and a number of innovative businesses are used as case studies for the success of the region, including in fields such as construction and civil engineering; advanced engineering and manufacturing; life sciences; accounting; AI and Robotics; and creative industries including film and television. However, few of these businesses have come to the Study Area specifically, and instead generally cluster around a mix of similar industries, appropriate space for their specific industries, and locations that meet infrastructure/ transport requirements in locations such as GSK in Stevenage, Hatfield Business Park or Studios at Elstree, Borehamwood and Leavesden.

It is important to note that whilst the presence of these industries in the County is a clear positive for the region, and presents significant opportunities for both growth and innovation – in particular in the “greening” of these industries as another ambition of the LEP – this does guarantee these businesses will grow and move into accommodation at the Study Area. The questions drawn from this Policy should therefore examine what the target industries are, what types of space and in what location, and is the Study Area capable of delivering these requirements, which is what in part this study will seek to establish.

Hertfordshire Local Industrial Strategy (September 2019)

Hertfordshire has a sizeable local economy. Data from the Office for National Statistics (ONS) suggests that it is home to about 1.2 million people, 740,000 of whom are of working age. Within the County, there are about 725,000 jobs and 62,000 enterprises. The value of economic output (GVA) is around £37 billion. On all these headline indicators, Hertfordshire has grown more quickly than the national (English) average over the last five years. Additionally, Hertfordshire has a well-qualified working-age population, with over 42% of people having a degree level qualification; well above the average for England, although this does vary locally.

However, economic growth in Hertfordshire has been driven largely by population and jobs growth. Productivity in Hertfordshire has grown very slowly over the last decade and it has declined relative to the UK average. Indeed, on one measure, it has dipped below the UK-wide figure.

Hertfordshire has a strong track record relating to new business formation and self employment, but it performs badly in terms of scale-up, and evidence suggests that larger businesses perform better in terms of productivity. However, affordable “grow on” space is in very short supply across Hertfordshire in the context of a substantial loss of employment floorspace over the last decade, which creates a major issue for businesses that are looking to expand, and likely contributes to this poor performance.

Hertfordshire has outstanding scientific research and other knowledge-based assets that ought to be driving that growth. As a hub for scientific research, Hertfordshire differs from other locations insofar as its strengths are vested primarily in a dynamic group of world-leading, research-intensive, businesses – such as GSK, Airbus, MBDA, Roche, Eisai and Johnson Matthey. These are complemented by commercially-focused research organisations of international significance; two outstanding examples are BRE and Rothamsted Research. The University of Hertfordshire has world class research specialisms and it is a third key element of Hertfordshire's research base.

Around these and other major players, a series of overlapping innovation ecosystems have evolved. These are defined around:

- Life sciences – with a major focus on cell and gene therapy in and around Stevenage (and Welwyn Garden City and Hatfield), but also very strong links to London and Cambridge.
- Advanced engineering and manufacturing – which has a lineage to the likes of British Aerospace in Hatfield but now is substantially broader and frequently has a very strong IT component. Its footprint extends north and west, into Cambridgeshire, Bedfordshire and Luton.
- Sustainable construction – with a major research competence in the form of BRE in Watford and also a strong cadre of major construction businesses (including Willmott Dixon in Letchworth Garden City and Skanska in Rickmansworth).
- Agri-tech – with strong research credentials at Rothamsted Research in Harpenden.
- Film and TV – with Warner Bros. Studios Leavesden and Elstree Studios in South West Hertfordshire, and strong links into both Buckinghamshire and London.

Hertfordshire is a research-intensive county. Data from the Smart Specialisation Hub suggests that by 2015, Hertfordshire’s total R&D expenditure was equivalent to 3.8% of GVA – well above the national target of 2.4%, with businesses contributing a significant portion of this figure, and survey evidence suggests that a higher proportion of firms are engaged in product and service innovation in Hertfordshire than is the case nationally.

With Hertfordshire LEP, the Hertfordshire Science Partnership (of which the University of Hertfordshire is a key player) is seeking to use academic expertise and facilities to boost life sciences, agri-tech and pharmaceuticals sectors across the county, and within the context of these innovative industries, the County’s wider creative links with Cambridge and London are likely to be critical.

Hertfordshire Enterprise Innovation Strategy 2021 – 2025

The Action Plan should consider the development of an innovation centre providing a focus for innovation within the county. No site or location has been identified for such a centre. This could potentially be a maker centre for fast prototyping, with the aim of helping early stage entrepreneurs bring ideas for new products and services to market. A new innovation centre which could complement facilities planned at the Hemel Innovation Campus (Herts IQ).

2.3.2. Herts IQ (Enterprise Zone)

The Maylands Gateway site (depicted in Figure 7 overleaf) holds a strategic location with frontage along the A414 on Breakspear Way. Owned by Dacorum Borough Council this 16 acre site has great potential for a range of business activities, across the spectrum of B1, B2 and B8 use classes, and this document approximates the site has capacity for 3 million sqft of commercial space.

The North East of the site is well suited to logistics or offsite manufacturing, while the Southern part of the site has the potential to deliver prestigious landmark buildings at the entrance to the Maylands Business Park area. The uses suited to this area will primarily be office spaces for head offices, mid-size and growth businesses. Phased development is likely to take place between 2021 and 2023. Note the “Supply” subsection of the Industrial & Logistics section of this report below identifies a planning application for a predominantly industrial development, including R&D, has been submitted for this site

Figure 7 – Herts IQ Enterprise Zone Site Plan



3. MARKET & ECONOMIC DRIVERS

3.1.Demand: Economic Context

In the short to medium term, the broad story for the UK's economy has been one of persistent stagnation. The UK economy had barely grown since the Bank of England started raising interest rates to combat inflation in December 2021. However there have been marginal improvements in recent months, with the UK economy emerging from recession in the first three months of this 2024 with the fastest quarterly growth in two years. Gross domestic product increased by 0.6% in the first quarter of 2024, following the cumulative 0.4% decline in economic output in the second half of 2024, marking the official end of a recessionary period. GDP per head grew for the first time in two years.

Receding inflation (down to 3.2% in March), rising real wages and recent reductions to national insurance are supporting consumer confidence. The GfK consumer confidence index rose by two points to minus 19 in April, its highest level in two years. It is likely to rise further should the Bank of England start cutting interest rates from their current level of 5.25%, as expected, over the summer.

Oxford Economics recently revised its gross domestic product forecast upward for 2024, from 0.5% to 0.6%, to reflect positive momentum and favourable revisions to historical data. Growth is expected to accelerate to 2% in 2025 as the recovery solidifies amid lower inflation and interest rates. This should pave the way for the hoped-for increase in occupier and investment activity in the real estate market from the latter part of this year and into next year.

More locally, Hertfordshire has a dynamic economy driven by the professional and business services sector³ that benefits from its proximity and relatively strong connectivity to London. Many national and international companies have headquarters in the county, including a host of well-known retailers including Tesco, TK Maxx and Currys PLC. The county is relatively diverse by sector, with wholesale & retail trade, real estate activities, manufacturing and information and communication all generating between 9% and 13% of the county's annual GVA⁴. The public sector accounts for a smaller share of GVA and employment compared to the UK average.

Hertfordshire's economy has grown at a faster rate than the national average, driven by the aforementioned diversity of its businesses, alongside its popularity with fast-growing tech and business services firms. Whilst Hertfordshire's post-coronavirus recovery has outpaced the national average, the county has not been immune to the wider UK's economic headwinds described above, although Oxford Economics expects Hertfordshire's GVA to grow by 1.7% in 2024 after remaining flat for 2023.

The county has outperformed the national average in terms of employment growth, and its population is expanding at a faster rate than the UK average (Oxford Economics "OE" Data), and is expected to continue outperforming the national average at 0.8% pa over the next three years compared to 0.5% pa UK-wide. Hertfordshire's unemployment rate should remain below the UK average in the coming years (OE Data).

³ Source: Oxford Economics. 201,000 of 759,000 (26.5%) jobs within the Professional & Business Services Sector.

⁴ Oxford Economics Figures via CoStar

3.2. Economic Sectors: Growth Potential

This subsection sets out longer term drivers of demand in comparison with the C&W view of the shorter term market drivers, and has been split into key growth sectors.

Professional and Business Services

According to ONS data, the economies of South West Herts and Hertfordshire were particularly badly affected by the economic downturn, experiencing a fall of c. 8% in GVA between 2008 – 2011. Data indicates there has been a strong recovery since 2011, driven by the strong performance of a small number of sectors, in particular professional and business services, which accounted for a third of the growth in GVA since 2011. The value of this sector has grown by over 70% during this period, which is more than twice the national average (31%).

Creative and Digital Sector

The creative and digital industries sectors are a particular strength of South West Herts, which has been both the largest employment sector and driver of jobs growth in the region in the five years prior the South West Herts Economic Study Update completion in September 2019, during which period it was responsible for creating 4,400 new jobs.

The largest subsector of this creative and digital industries sector by some margin is IT, software and computer services, which accounts for over 10,000 jobs in addition to being one of the main drivers of recent job growth, accounting for 2,800 of the aforementioned 4,400 jobs within the creative and digital industries sectors. A large proportion of these jobs are in IT consultancy rather than the more creative sectors such as software development. Given that both IT and advertising/marketing tends to include office based activity, this underlines the importance of providing high quality sites and premises capable of attracting investors and/or encouraging start-ups. Additionally, South West Herts is host to a large proportion of the back office and design functions of manufacturing businesses, as opposed to production, and these types of manufacturing-adjacent jobs will require office space, rather than being situated within industrial units as one may expect from the sector.

At the same time as this growth has been registered, there has been a significant reduction in the amount of available office space in the location, squeezing local businesses that have produced such strong growth for the region hard. The conclusion made within the local plan and South West Herts Economic Study Update is therefore that these office-based businesses are vital to the economy, and should not be disregarded in favour of other sectors: These are high value sectors with significant potential for further growth and should therefore be the main focus for business growth in South West Herts. The goal for Dacorum's Local Plan is therefore to retain office space, with no net loss of floorspace after 2025, although actual expansion of the office sector is being allocated elsewhere within Hertfordshire.

A further priority within the economic strategy of the local plan is to give a high priority to **small and medium sized businesses** in new employment development, as South West Herts has a highly entrepreneurial population with business start-up rates well above the national and regional average (particularly in ICT and professional services). However, the Draft South West Herts Economic Study (2023) notes that Hertfordshire ranks particularly poorly in relation to the ability of its small businesses to grow, although it is unable to conclude definitively why this may be, it suggests the reasons for this could include access to smaller office/ industrial premises and the increasing costs of all such space, in addition to a lack of access to skills or finance. The conclusion drawn from this information within the Local Plan is that there is a need for flexible and affordable workspace to support the growth of such businesses. Whilst the Study Area may not be the appropriate place for such development, it is valuable to note this policy preference for smaller, flexible space.

Manufacturing and Distribution

The Draft Economic Study (2023) indicates that due to the low vacancy rates in Dacorum, there and the low supply of new industrial space, mean there is a bottleneck for demand that could potentially see businesses/ investment look elsewhere in search of space. In response, Hatch Regeneris identifies a need for 43,500 sqm of industrial space and 385,800 sqm of storage and distribution space between 2021 – 2041 based on past trends in the take-up of industrial space in South West Herts, much of which is likely to be situated within the Study Area.

Much of this market-led demand is for distribution and distribution adjacent industries rather than manufacturing; distribution schemes within the Study Area such as Prologis have contributed significantly to these delivery figures without the need for intervention due to the strength of the sector in recent years. The manufacturing subsector is slightly less strong: the "Manufacturing in Hertfordshire (September 2022)" report by SQW seeks to quantify the performance of the manufacturing sector, and establishes that it is of below-average representation in the County.

The County has a number of highly represented sub-sectors of the manufacturing industry by employment count, however only three of these have higher rates than the average for England as a whole. These are Manufacture of Weapons and Ammunition, Manufacture of Pharmaceutical Preparations, and Printing and Service Activities Related to Printing. Of these sectors, only the first two employed over 1,000 people in 2020.

The most prominent districts in Hertfordshire's manufacturing sector over the 2015 to 2020 period were North Hertfordshire and Stevenage. In addition to having the highest absolute employment in manufacturing, these were the only districts in the county where manufacturing rates were high relative to England as a whole. Conversely, Dacorum saw the highest decline in manufacturing sector employment in the five years prior to 2020 (inclusive) at 4.9% per annum, although it has retained – at 3,500 employees, slightly above-average employment for the County.

Interestingly, Dacorum has a notable manufacturing subsector specialism in the manufacturing of beverages subsector, although the report does not drill into further detail if these 800 employees within the district are the result of a single large company or a cluster of businesses within the subsector clustering within the borough. The report does note that those subsectors related to the food and drink industry were generally clustered outside the M25, which may result from the need to distribute such products quickly into the London Area.

What this report demonstrates in particular is that whilst there are pockets of high-tech manufacturing (eg. Weapons and ammunition, and pharmaceutical preparations in particular), these industries are centred elsewhere in the County, away from the Study Area.

Offsite Construction

Maylands contains the Envirotech Enterprise Zone which aims to attract a wide range of businesses linked to environmental technologies. The aim of the EZ is to support and develop the existing enviro-tech sector in west Hertfordshire and attract more businesses to the area. The multi-site zone includes parts of the Study Area, and as noted in the Economic Study Update, the commercial feasibility study for the Study Area identified Offsite Construction as one of the future opportunities, as this is an existing strength due to research expertise at the Building Research Establishment, which has identified potential for an offsite manufacturing facility at Maylands.

In terms of strategic drivers of demand for the Smart Construction sector:

- The RICS paper *Modern Methods of Construction A forward-thinking solution to the housing crisis? (2018)* estimated that around 15,000 modular homes were constructed in the UK each year, and states that the main reason this number is not higher is that capacity is constrained because there are only a small number of factories that are able to produce modular housing. Whilst the number has increased since this report was published, the market is still constrained by appetite, with the sector yet to truly establish itself as a viable alternative to conventional construction methods in the eyes of developers and purchasers, presenting a further roadblock to the growth of this industry, particularly in the shorter-term. Despite these constraints, the sector is expected to grow in the future as it becomes more acceptable to developers and purchasers, and there is an acceptance that – should UK housing targets be met – MMC will play a fundamental role in the increase in delivery that allows that to happen. Whilst a broadly theoretical exercise, in 2020 Savills sought to calculate the number of additional factories that might be required to meet varying levels of future housing demand, and their scenario testing indicated that the amount of new factories required would likely range between 10 and 40 depending on both the number of new homes being delivered (200,000 in the low scenario and 300,000 in the highest), and proportion of those homes that would be delivered using MMC (15% in the low scenario and 20% in the highest).⁵

⁵ <https://pdf.euro.savills.co.uk/uk/spotlight-on/spotlight-modern-methods-of-construction-spring-2020.pdf>

- The Strategic Options Report notes that the construction phase linked to Hemel Garden Communities will last for decades, and queries whether there may be a role for Herts IQ as a home for innovation in Modern Methods of Construction and suggests there could be a link with the BRE Science Park, but given this is located in Watford – approximately 8 miles south of Maylands – this seems unlikely without significant intervention. An Open Innovation Hub at BRE opened in Spring 2022, and has created 3,000 sqm of floorspace. The hub is anticipated to play a key role in strengthening Hertfordshire’s existing smart construction capabilities. However, this development if higher value activities in the sector is building on an existing strong base for the sector at BRE – an advantage that Maylands does not currently possess.

As such, this sector is widely predicted to continue growing as it becomes more accepted by developers and purchasers. The main focal point for this growth from an R&D perspective within Hertfordshire is the BRE facility in Watford, which is one of the UK’s leading research facilities seeking to develop modular construction. We would expect research facilities such as this to grow as their influence increases and the sector grows.

However, we would expect the R&D growth in particular to be accommodated in or near to its existing location, rather than at Maylands. The BRE owns the c. 50 acre plot on which its “BRE Science Park” is based, and within its own company profile it states “Any profits from BRE’s work go to the BRE Trust, which invests in research projects for the public benefit, *or are invested in upgrading our research facilities at the BRE Science Park* [emphasis added]”, indicating the intention of the business is to accommodate its research facility expansion on its existing site in the first instance.

The expansion of this sector is likely to be seen most profoundly within the manufacturing field as – by its very nature – this sector requires large facilities in which to undertake the offsite construction; such a space will need to be large enough to accommodate manufacturing facilities, and have good road access to major development sites (such as London). Maylands possesses these advantages as well as the additional benefit of having large amounts of land identified for residential nearby as part of HGC which could be developed using this process. The BRE has previously – according to the South West Hertfordshire Economic Study Update – identified potential for an offsite manufacturing facility at Maylands, linked to the work they undertake at the main site.

Agritech

The Herts IQ Strategic Options Report (“Strategic Options Report”) noted in September 2023 that the overwhelming majority of space delivered within the Herts IQ area from the inception of the EZ to date has been within the B8 sector at Maylands, with the only office space⁶ delivered outside Maylands at the Rothamsted Research Campus (a dedicated agricultural research centre) in the Russell Building, where 1,500 sqm (16,145 sqft) of space has been delivered, providing 22 offices, a hot desk hub and an open plan innovation space, which is now largely occupied. The Russell Building has been supplemented by the Innovation Labs – a scheme to convert redundant stores space into nine mini laboratories.

The Strategic Options Report contends that the Russell Building and Innovation Labs, and the Daniel Hall Innovation Centre, all at Rothamsted, “should lead to its current tenants graduating to some form of move-on space elsewhere in the Enterprise Zone”, but states that there is currently no obvious place for them to go.

Whilst this suggests there is an opportunity for such space to be made available at Maylands, the combination of: tenants at these two facilities moving away from the region’s primary research hub, plus the lack of similar facilities (in this instance numerous trial sites/ field areas) at Maylands means successful movements of tenants to Maylands as they grow cannot be taken for granted.

Furthermore, table 5.2 of Hatch’s report (figure 8 of this report) suggests that South West Herts’ research strengths and knowledge assets in agri-tech have not yet translated in to strong sector growth. The agri-tech sector has a very low share of employment in South West Herts, and between 2012 and 2019 that level of employment has only grown by 100 jobs. The size and rate of growth of this sector raises questions over whether there will be sufficient market demand to develop additional space at the Study Area, and whether or not the sector will have the capacity to grow to such an extent that an additional cluster can be established at the Study Area.

As a potential positive, Hatch notes that although there is currently limited employment in this sector in South West Herts, there are opportunities for future growth centred around the sector, with Agri-tech clusters in other parts of the country having large space requirements, which could make Maylands an attractive site for future investment, albeit likely across a long timeframe.

Green Technology

The commercial feasibility study for the Envirotech EZ identified opportunities for businesses that provide digital services, products, platforms or hardware to deliver technical solutions for other environmental technology sectors including construction, agritech and engineering. It highlights opportunities in sensors, ICT software development, big data and AI. South West Hertfordshire stands to benefit from the new Green Triangle project, a collaboration involving both BRE and Rothamsted as well as the University of Hertfordshire. The Green Triangle “aims to establish Hertfordshire as a globally renowned centre of excellence in green technology” by linking green research, science, engineering and technology enterprises.

Hatch highlights that Maylands has existing strengths within the digital industries sector, and therefore considers it to be a reasonable conclusion that some of this growth will be accommodated at Maylands. The Economic Study Update notes however that these sectors are still small and developing; whilst supporting their long-term growth should be a priority, and their growth potential is evident, the fact they are starting from such a low level of provision means that even high rates of growth would only make a modest contribution to GVA and the productivity performance of South West Herts.

Figure 8 – Employment in Science and Innovation Sectors

	Total jobs in South West Herts	% total jobs	Location Quotient vs GB	Change since 2012
Agri-tech	3,400	1.0%	0.8	+100
Life-sciences	2,600	0.8%	1.1	+500
Advanced materials and manufacturing	2,900	0.9%	0.4	+500
Environmental good and services	4,300	1.3%	0.7	+500
Creative and digital industries	18,800	5.2%	1.2	+4,400
All innovative sectors	24,900	7.4%	0.9	+5,000

Source : BRES. Note: all innovative sectors does not add up to total because some sector definitions include the same SIC codes. For example, R&D is included in all of the science based sectors

⁶ In the Strategic Options Report, this is not identified as research space.

It is particularly notable that – as identified within the Hatch Report – development within the Herts IQ EZ has thus far been limited to the Prologis site, where all that has been delivered is large sheds. Whilst these have been well received by the market, none of the occupiers within the scheme are from environmental technology sectors.

As such, whilst there is clearly strong growth potential in these science-based sectors, which should be nurtured within the study area, the scale of these industries is only likely to truly drive property occupation and development at scale in the long term.

Life Sciences

The Hertfordshire LEP's vision for the future of the County is that: "Over the next 3-5 years, the Life Sciences Sector across Hertfordshire will see sustained growth across medical technologies as well as biopharmaceuticals. This will be achieved both through the growth of existing businesses and through inward investment [...] As a result, by 2027, Hertfordshire's Life Sciences sector will be thriving across the county, and it will be known more generally for the breadth and depth of Life Sciences activity".

More broadly, Oxford Economics forecasts employment in the professional, scientific and technology sectors in the South East will increase by 9% in the next five years, meaning these sectors are likely to continue to grow and demand more space in both the short and long term. We consider this to be important as there is a significant lack of new, available space in the region, in addition to space in the pipeline that will relieve this pressure.

This confluence of positive factors, namely a strong policy/ investment commitment from governing bodies, an already-established base in the local area, and a good location from the perspective of its position relative to other clusters and its transport connectivity to those clusters, makes Hemel Hempstead a promising location for continuing growth. However, given the R&D centres generally cluster around major research institutions (see Oxford and Cambridge's dominance in these areas), and given the prevailing uses, location and physical environment of the Study Area, plus the growing cluster of medical technology businesses focusing on manufacturing (see section 3.3.5 below for more detail) it is likely that such growth at Maylands will be accommodated within the manufacturing sector rather than more office/ lab focused R&D type uses.

Film & TV

Film and TV production has seen significant investment in Hertfordshire (and in London, Buckinghamshire, Surrey, etc.) over recent years. The Strategic Options Report speculates that there may be opportunities for Herts IQ in this context, particularly across the wider value chain where there is a need for sites of many different forms.

Whilst this is a flourishing sector for the UK, Knight Frank⁷ reports that following a period of rapid expansion, streaming platforms in particular are looking to scrutinise costs, and this is likely to impact upon the property sector as businesses become less acquisitive, and whilst demand is still rising in 2023, it is doing so significantly below historic rates. The property industry has responded to this anticipated slowdown, with a waning appetite for speculative construction of studio space reflecting this new market position – Knight Frank reports eight planning consents in 2023, compared with seventeen for the same period the previous year.

On this basis, we would encourage a degree of caution regarding encouraging such space at the Study Area. Due to the nature of the industry (its capacity to occupy industrial space whilst also creating what are generally perceived as being more highly skilled jobs than traditional industrial) it is considered by local authorities in particular to be a very desirable use and thus are willing to flex planning (delivery on the green belt at Shepperton Studios) and invest significant sums of money to secure/ retain businesses within this sector, meaning the market is incredibly competitive. Whilst this does not rule out this use as a potential opportunity at the Study Area, it does mean our conclusion is that in order to deliver such space at the Study Area, early collaboration/ a pre-let with a prospective end user prior to development commencing will be vital.

⁷ <https://www.knightfrank.com/research/report-library/uk-film-and-television-studios-market-2023-10567.aspx>

3.3. Demand: Property Market Sectors

3.3.1. Offices

UK Trends

The revival in office leasing that occurred in 2022 has fallen away a little in 2023, with business confidence affected by rising interest rates and the uncertain economic outlook. The national office vacancy rate has risen steadily throughout 2023, with space released onto the market continuing to far outweigh new leasing. The first half of 2023 was the weakest six-month period for office take-up since the first half of 2021, and whilst there were signs of improvement in the second quarter, leasing remained more than 20% down on pre-pandemic averages, and annual net absorption (the total sqft of space let, less the total space vacated) is trending at a significant negative at approximately -4.8 million sqft as the combination of structural changes to the office sector (outlined further in this section below) alongside weak economic conditions suppress occupier demand.

There is now more than 105 million sqft of vacant office space (7.9% on a sqft basis) in the UK, the highest figure in nine years. This figure is expected increase in 2024 as a wave of new buildings complete in a low demand occupier market; this compares unfavourably to the c. 5% vacancy rate in March 2020 prior to the Coronavirus lockdowns.

This fall in lettings has been most keenly felt in the largest office spaces. There were only two lettings over 100,000 sqft in size in the first half of 2023, and only a further 12 more of over 50,000 sqft, which is less than half the number recorded in H2 2022. Leasing has been more stable for smaller offices, in part due to occupier requirements responding to post-covid office use trends.

Some segments of the office market are performing well despite these overarching market themes. Best-in-class buildings continue to attract occupiers seeking sustainable space and good amenities, even if many businesses are reducing their office footprints when signing new deals, in response to changing office use trends. Micro-location and the quality of the office space has never been more important in an ever more polarised market; firms are increasingly prioritising amenities and accessibility when making leasing decisions. For example, there has been a recent outperformance of London's West End when compared with other parts of the capital that is partly due to its wealth of shops and vibrant social scene.

Rent trends – as with occupier demand – differ by market and by building quality. Average asking rents have remained relatively resilient since the pandemic began, although this growth has been supported by continued rent increases at the prime end of the market at the expense of inferior stock, and by landlords offering more generous incentive packages to retain higher headline figures. Prime rental growth should continue as energy performance regulations become stricter⁸, and as occupiers continue to seek out better-quality space in response. These trends combined mean there is an expectancy that older, not fit for purpose office stock will be removed.

Outside of London, the public sector has accounted for a significant proportion of take-up since the pandemic, in part due to several very large lettings in Manchester (131,000 sqft to the Government Property Agency in 2022), Newcastle Pilgrim's Quarter (464,000 sqft pre-let to HMRC in Q4 2021), and Blackpool (215,000 sqft pre-let to the Department of Work & Pensions in Q4 2021), although to date this trend has not extended beyond headquarters in larger cities/ towns.

While construction starts have slowed, construction activity remains close to a decade high, with 27.1 million sqft underway nationally, of which approximately two thirds is in London. In a continuation of a decade-long trend, little is being built outside of major CBDs, and these smaller towns have frequently seen a contraction in their office provision as owners have taken advantage of permitted development rights to convert empty office buildings into alternative uses like hotels and residential. This trend is likely to continue, especially as the aforementioned continuing changes to energy regulations make many office buildings unoccupiable in the coming years, and the capital cost of refurbishing these properties for continuing use as office significantly outstrips the potential value that can be generated in many locations.

⁸ Recent tightening of MEES regulations mean no commercial properties with an EPC of below an E can be let, or have their leases extended, as of April 2023.

Rising interest rates have severely negatively impacted upon investment volumes in recent quarters. Weak investor sentiment, higher borrowing costs and weakening fundamentals are likely to continue to negatively impact upon both activity and office prices in the coming months, although falling prices, and a belief in the long-term future of prime offices in the best locations, is also attracting value-add investors back into London's West End and strong regional cities such as Bristol.

Local Market

Hertfordshire contains more than 25 million sqft of office space, and whilst the key town centre office locations in the area are Watford and St Albans, most office space lies in business park locations outside of town centres.

Interestingly, Hertfordshire contains one of the lowest concentrations of high quality office stock relative to the total provision of any large market in the UK. In spite of this concentration of lower quality stock, Costar data indicates that the average office rent in Hertfordshire is among the highest in the UK outside of London, and significantly above nearby competitor locations in Luton & Bedfordshire. Given there is a general trend in the top end of the market (from a rental perspective) for businesses to seek higher quality spaces, this could be a threat to the future vitality of the region as businesses look elsewhere for such space. Equally, it presents an opportunity to develop new space; given the higher rents in Hertfordshire compared with other regions, it is more likely that proposals will be viable potentially permitting development of space the market requires that cannot be delivered elsewhere.

The County has historically benefitted from its proximity and connectivity to London, with a number of national and multinational companies choosing it as the base for their headquarters, notably retailers including Tesco, TK Maxx and ASOS. These companies have been joined in recent years by Premier Foods (c. 18,500 sqft of space in St Albans), Signet – the company that operates retailers H Samuel and Ernest Jones – (20,000 sqft in Croxley Park on the outskirts of Watford). The latter building – and TK Maxx's new headquarters in Watford – are very newly completed and both were occupied from completion in 2021. Another major occupier of office space in the region is Hertfordshire County Council.

New space is continuing to attract occupiers in Hertfordshire even as wider demand remains subdued. For example, some recent tenancies at 10 Bricket Road, St Albans, which completed in December 2022 and January 2023 have taken the building to virtually 100% occupancy. The building has significant sustainability and wellbeing credentials, and is designed to deliver BREEAM Excellent and EPC B ratings. A summary of the recent lettings within this property follows:

- Motor Fuel Group: 10,900 sqft in January 2023
- St James's Place Investment Managers: 5,900 sqft in February 2023.
- AECOM: 20,000 sqft pre-let in Q2 2021.

In addition to new buildings, refurbished office space has also received keen interest as occupiers seek to increase their ESG credentials. For example, LGIM Real Assets, part of Legal & General, has recently signed two occupiers at the c. 75,000 sqft Hyde Building on Clarendon Road, Watford, which was refurbished in 2021:

- Medivet, the largest veterinary clinic operator in the UK has taken a 10-year lease on the whole of the first floor totalling 17,900 sqft.
- Mindray, a multinational medical equipment manufacturer, has taken a 10-year lease on the second floor totalling 5,100 sqft.

Both tenants have agreed a rent of £37.50 psf. The previous record rent for Watford of £37.00 psf was also in this building, in a 10-year lease of 19,663 sqft to ENRA Group in 2021 when the building's refurbishment was completed.

Away from the new build market, demand for office space in Hertfordshire more generally has fallen over the past couple of years. Leasing rates have slowed, and many businesses have been releasing unused space onto the market to manage their expenditure:

- In 2022, Amazon vacated almost 70,000 sqft of space at Apsley Grange in Apsley.

- Skanska vacated a larger building in Rickmansworth (Maple Cross House) when moving to Leavesden Park.
- Mothercare downsized from its 110,000 sqft headquarters in Watford to 15,000 sqft in Apsley.

The impact of these moves and others like them has combined with a big year of net new supply in 2021, when over 455,000 sqft of space was delivered across four properties (TK Maxx's headquarters, Airbus Stevenage, Croxley Park and 10 Bricket Road St Albans), to depress demand and increase the vacancy rate. The office vacancy rate according to CoStar was 2.1% in early 2020, and the above combination of factors has pushed this up to 8.1% at current day. This rate is the highest level in nine years, and above the national average. Ongoing weak demand, plus several large office buildings in the construction and planning pipelines will likely see this rate continue to move outwards in the near future, likely impacting upon rental growth and thus squeezing development viability.

More locally to the Study Area, the Dacorum Borough Council area in Hertfordshire contains approximately 3.3 million sqft of office space, which is approximately 13% of the total for Hertfordshire. The vast majority of this space (2.9 million sqft, or 88%) is situated in or on the outskirts of Hemel Hempstead, and approximately half (1.4 million sqft) of that office space is located within the Study Area, with the remainder located in the town centre.

There are no supply-side pressures on vacancy or rent in the near term in Dacorum, as there is nothing under construction in the Borough; in fact, its inventory has contracted in the past 10 years, as demolition activity has outpaced new construction. The vacancy rate in Dacorum has – as with the wider County area – risen significantly over the past twelve months, and at 11.3%, is at its highest rate in more than five years. As delivery of new space has been virtually non-existent in the near term, the vast majority of this rise in vacancy rates has been caused by occupiers vacating units at a faster rate than new occupiers can be obtained: this is verified by net absorption figures, which have been at a negative of 91,000 sqft in the year to date.

Much of this negative absorption (c. 79,600 sqft) was located within the Study Area, where the vacancy rate is significantly higher than both Dacorum or Hertfordshire's average at 16.3%, or c. 232,000 sqft of vacant office space in total. Whilst Figure 9 (right) suggests this is a recent change, we understand that the Peoplebuilding 2 – which is the source of the sudden increase in vacancy – has been made available to let after a period of unavailability whilst its owners (Aviva) sought to dispose. A change of strategy has recently brought this space back onto the market, meaning it has sat vacant for over 12 months, albeit unavailable let during that time period.

The vacancy rate in the Study Area had been trending downwards since Q2 2022 prior to this change, albeit from the highest vacancy level since the middle of 2019.

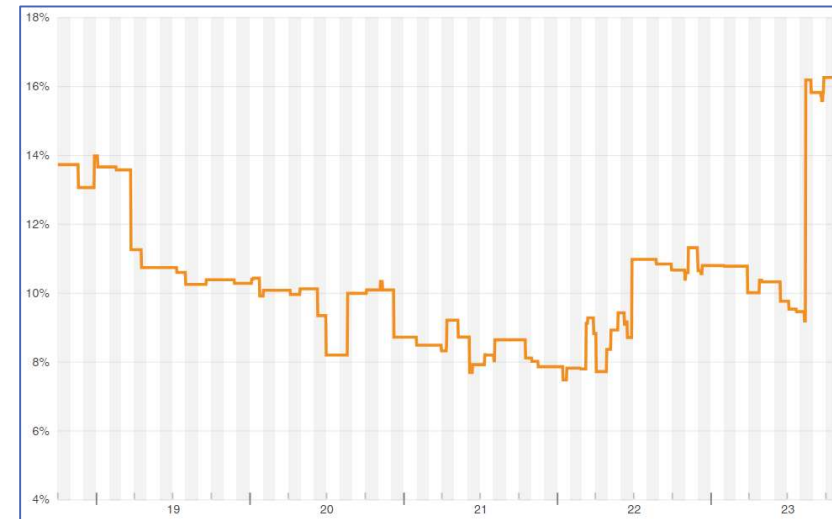
In spite of this somewhat weak recent market performance, the location still houses a number of high quality businesses. The Maylands Building in particular has occupiers including Gama Healthcare, 3D Systems Limited, Temenos Banking Software, Intact Software, Bedford Precast manufacturing, and Annodata. The Peoplebuilding is a two-phase modern office park comprising Peoplebuilding 1, which is let in its entirety to Nuffield Health, and Peoplebuilding 2 which as highlighted above is currently vacant, having recently been made available to let after a period in which the owner was looking to sell the property.

Hatch Regeneris⁹ note that the permission for offices at the Peoplebuilding extended to six buildings, although several of these were not enacted upon. The permissions for the remaining offices have now been superseded by a non-material amendment for the redevelopment of the site to provide 12,503 sqm retail floor space, plus additional restaurant/ café/ take away space. Phase 1 of this retail park has now completed and comprises an Aldi, McDonald's and Costa, but the remaining undeveloped plots – to the south of the site – have since been purchased by Prologis as an extension to their Prologis Park development.

Whilst the Maylands Building and the properties within the Peoplebuilding scheme are the principal high quality buildings in the Study Area, elsewhere on the park there are a number of high quality office occupiers, including:

- BSI Group (British Standards Institution): The National Standards Body responsible for producing technical standards for products and services. They own and occupy 65,000 sqft of space at Kitemark House.
- Sopra Steria: A multinational digital services, consulting and software development company. They have their UK HQ at Three Cherry Trees Lane, where they own and occupy 138,000 sqft.
- Atlas Copco: An industrial services business that handles sales and servicing of industrial gas and air compressors, dryers and filters, compressor parts and service, and vacuum pumps; construction and demolition tools; and industrial electric, pneumatic, assembly tools. Technology House is their 50,000 sqft HQ, which they purchased in 2022, prior to refurbishing and moving into the building in Q4 2023.
- Sir Robert McAlpine Capital Ventures: The famous British construction and civil engineering company has a lease of 46,000 sqft of space in Eaton Court, where they moved in June 2016 on a ten year lease.

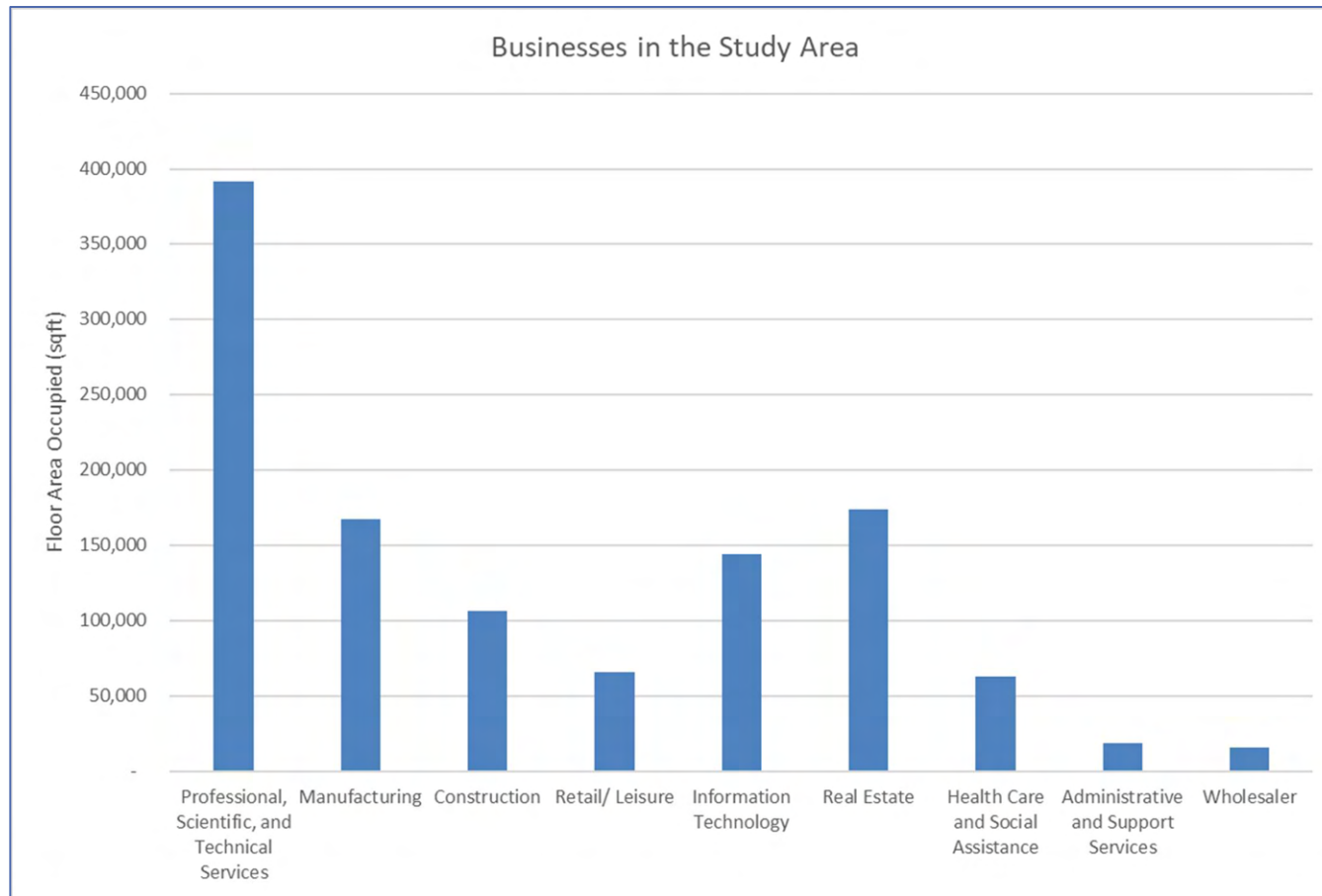
Figure 9 – Study Area Vacancy Rate: 5 years



⁹ South West Herts Economic Study Update, September 2019

This is only a small cross section of the largest occupiers in the Study Area. To further understand the composition of the park, we have examined CoStar’s tenant Industry statistics. It is important to note that these are wide-ranging definitions, and – for example – “Professional, Scientific and Technical Services” encompasses a vast array of different types of business, from medical manufacturing services to graphic designers.

Figure 10 – Businesses in the Study Area: Offices



As noted above, this is not a granular representation of the types of businesses located within the Study Area, but does demonstrate there are a number of firms in the area that the Draft Economic Study (2023) considers to be higher-growth and GVA (aka “high value”) businesses, particularly within the Professional, Scientific and Technical Services, Information Technology, Manufacturing/ Construction and Real Estate sectors. The presence of the latter sector indicates that a significant proportion of the manufacturing businesses in the region are back office and design functions – and therefore office based – as opposed to production, a trend identified within the Hatch

Regeneris Draft South West Herts Economic Study (2023). As noted in the UK market section above, generally high value firms within the finance, insurance, professional and business services – in particular the larger ones – that are looking for space are attracted to newer high quality, efficient offices in order to align with their wider ESG goals.

As demonstrated in figure 11, the proportion of the office space occupied in the Study Area is predominantly graded by CoStar as “3 star”, with the next largest proportion being “2 star” and finally a small proportion – 82,000 sqft across nine units – being “4 star”¹⁰.

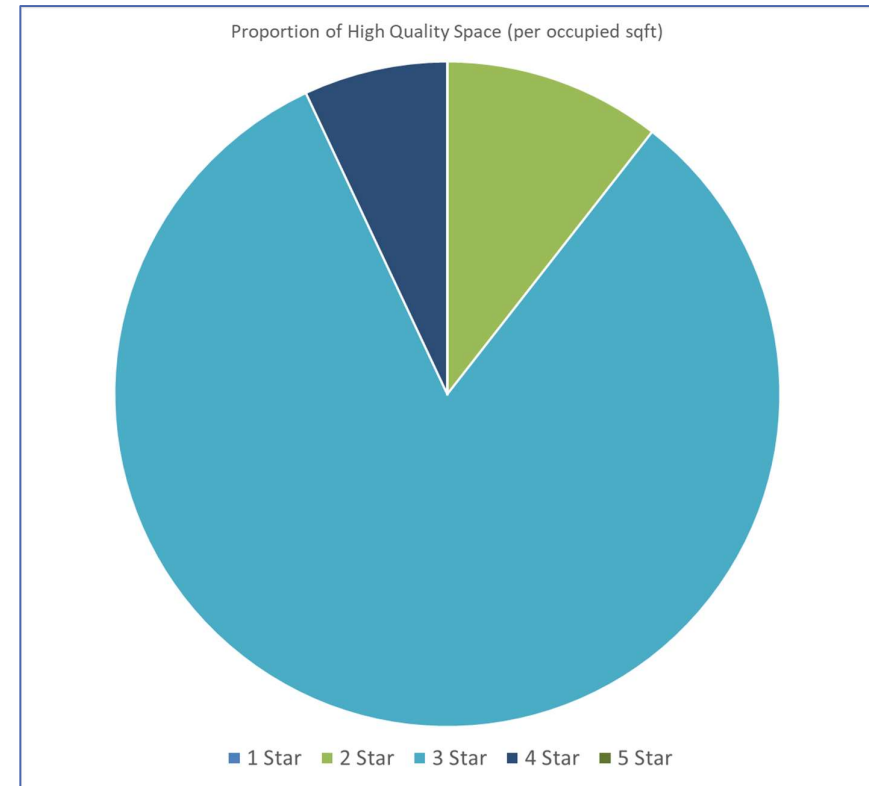
This indicates that, whilst there are a number of high value office tenants in the area, there may be potential for more businesses to be attracted to the area by the combination of high quality businesses clustered in the area *and* because of high quality buildings which meet their expectations and goals regarding building performance and ESG.

As noted above, one of the most impactful trends in Hertfordshire/ Dacorum recently has been occupiers downsizing/ vacating properties, and the subsequent increase in vacancy rates this has caused, much of this is thought to be as a result of current buildings not meeting their business needs: in such a scenario, delivery of more, high-quality, high-performance and well-designed (in terms of size and useability by occupiers) space could both encourage businesses to remain in the Borough – and the Study Area – whilst also attracting new businesses.

It is important to note that, whilst overarching local or UK-wide trends in the property market have the potential to impact upon a location such as the Study Area if they are correctly understood and addressed, there are other fundamental points of consideration that must be addressed which may hold a location back. In this instance, a key concern for the Study Area is the lack of public transport connectivity: Hatch Regeneris¹¹ cite issues with public transport and amenities which have limited the amount of demand in the area.

This is a particular issue for rail, as the rail station is not directly in Hemel Hempstead town centre and is located further still – at approximately 2.8 miles as the crow flies – from Maylands. This means connections to London are poor, making it more difficult to attract high value professional services businesses (in particular) to the location relative to other towns in the region – Hatch cites HSBC moving to Apsley as one such example. It is difficult to envision how viable intervention can be achieved to address the issue around transport connectivity, and so it is unlikely that businesses such as HSBC will be moving to the Area in the future. However Hatch do note that prime rents were increasing in the area at the time of their report.

Figure 11 – Proportion of High Quality Space (per occupied sqft)



¹⁰ The methodology used to define this rating is very comprehensive, assessing the building’s architectural design, structure/ systems, amenities, Site/ Landscaping/ Exterior Spaces and Certifications (predominantly relating to environmental performance, such as LEED, BREEAM, Green Globe etc.): Most important for this exercise is that the rating is from 1 star (lowest) to 5 star (highest). A full breakdown of the methodology behind this assessment has been provided here: https://www.costar.com/sites/costar.com.na/files/2023-09/costar_buildingratingsystem-definition.pdf

¹¹ South West Herts Draft Economic Study, 2023

In addition to the data analysis of the market at the Study Area, we have spoken with local agents to understand demand in more granular detail. The main overall theme from those agent conversations is that the Study Area is not seen as an office location by the occupier market, meaning there is very little demand for the existing space that is available. Office take-up has been very weak relative to the amount of available space, and with occupiers requiring best in class space to attract staff, they are having to move to towns like St. Albans, which has better amenities (shops, cafes etc.), quality of environment, and public transport connections.

As noted above, this lack of connectivity via public transport is a fundamental and unavoidable issue for the Study Area. For example, the journey from the nearest rail station (Hemel Hempstead) involves the ML1 bus to Maylands, which does not run frequently enough to work well for tenants. The agents we spoke with noted that several landlords have sought to address this problem by offering a shuttle service with the cost covered by the service charge, however the only location that has been able to make this work is Breakspear Park, which has the critical mass of occupiers to make it viable.

The Maylands Building is an example of the problems facing the Study Area as it was refurbished eight years ago, and despite housing some quality tenants, has still not fully let, with approximately 20,000 sqft remaining vacant. We understand that the building has some lease events coming up that could make the position worse for this property, with occupiers planning on taking the opportunity to examine how they occupy their space moving forwards.

This situation of course impacts upon the viability of development of new office space; with prevailing rents in Maylands currently under £30 psf, plus limited occupier interest leading to long voids and only partially occupied buildings, it is increasingly difficult to deliver new office space to the market, and owners are more regularly finding that this difficult market landscape makes even refurbishment of existing buildings challenging. For example, the Peoplebuilding project saw development viability challenges set in during the construction of the second building; the remainder of the site sat vacant and unused for several years and eventually pivoted to retail and finally industrial once it became clear that office was not going to work.

This issue is exacerbated by the fact that investors increasingly look at the location as a poor one for offices: for example, Praxis have just purchased Breakspear Park for £29.5 million (this works out at a NIY of c. 14%). When the property was last purchased in 2014, it was for £60.6 million. Furthermore, we understand the owners of the remaining Peoplebuilding office complex, Aviva, have unsuccessfully sought to sell it for several years.

Interestingly recent reports suggest that Breakspear Park has been bought with the intention of refurbishing the building as a life sciences hub. Should such a pivot be successful, it could present an opportunity to capitalise on the building's success; if it is able to achieve rents and attract occupiers once complete, it could allow other appropriate buildings to follow suit. Regardless, it is our view that this is a high risk pivot, and as such may not be successfully executed as initially reported. The high risk approach is partially justifiable in this instance as the building was purchased at a significant discount, as reflected by the very soft yield being reported.

Should the desire – as outlined in the Borough's various planning documents – remain to keep portions of the Study Area as office space, it will be important to enhance and improve Maylands as a prospective office location in a number of ways as follows:

- Invest in transport infrastructure to provide access to the park, including both smaller scale interventions to encourage better walking and cycling links between sites and schemes to improve public transport as well as strategic infrastructure projects such as Project Breakspear enhancements at Junction 8 of the M1. We understand the projected costs for the pedestrian and cycle bridge (Phase 2) are £11.9 million at a minimum, and the traffic signals, spine road and bridge over the M1 (Phases 3 and 4) are each projected to cost £53.45 million. The timescales for this project – sourced from the draft Hemel Hempstead Sustainable Transport Plan (November 2022) are as follows:
 - o Phase 1: 2023 – 2028
 - o Phase 2: 2028 – 2033
 - o Phase 3: 2033 – 2038
 - o Phase 4: 2038 – 2050.

- Any plans for future growth of office space should seek to create the maximum amount of clustering around a small number of services (retailers, cafes, plus public transport) to attract occupiers back to the area.
- Enhancements to the quality of the environment – in particular within the aforementioned clusters but preferably across the whole park – that focuses on improvements to public realm and green space.

Should these fundamental issues not be addressed, the likelihood is that space reserved for office will continue to be lost to industrial because – as examined further in the Industrial & Logistics section of this report – this sector is very strong in the Study Area, and willing to pay far in excess of what any other use can pay for developable land.

Any office development should be at a realistic and “market facing” scale and delivery rate to ensure vacancies – and its knock on effects such as softening rents – are minimised. This, plus the need for aforementioned improvements to the park, means office development is likely to be a longer term aspiration rather than a short term solution; as such a robust method for safeguarding land for office development should be prioritised if such a strategy is to be pursued.

Supply

As noted in the Local Supply section above, there is currently no office space in the construction pipeline within the Study Area. There have been two planning applications submitted pertaining to office space development, although it is our understanding that neither of these have moved beyond the application stage. The two applications are as follows:

- REF 22/OO118/FUL: An extension of c. 1,550 sqft to the existing office accommodation at the BPAL Buncefield Oil Terminal. Permission was granted in June 2022.
- REF 21/O2283/MFA: Construction of a two storey office development at Land West of Eastman Way, Swallowdale Lane. This application is for a 16,000 sqft office building on undeveloped, vacant land. The application was validated in July of 2021, but as of the date of this report is listed as “with planning case officer” and has subsequently been replaced with an industrial application (see the “Supply” subsection of the Industrial & Logistics section below).

These have been summarised and analysed further in the Supply section 3.4 below.

3.3.2. Flexible Office Space

UK Trends

In the short to medium-term, we expect the contractual flexibility offered by flexible workspaces to be a key aid in enabling businesses to complete the gradual process of returning to the office post pandemic, and also in guiding how such a return may look. For example, the major question that is yet to be answered convincingly by occupiers is “what proportion of the working week will people spend in the office?”. In particular, with many businesses finding remote working to be successful and applicable in a post-pandemic workplace, many businesses are anticipating a continuation of the home/ office split model of working and so asking what split between these two locations is most effective.

Under this new working pattern, some businesses and workers are exploring the possibility that the home working element could be satisfied by ‘third spaces’ closer to home, driving a trend towards more suburban flex locations. C&W’s flexible office team are starting to see this in operator appetite, whereby there is a willingness to explore new opportunities in previously unviable locations.

Equally with many businesses cash poor, the all-in single monthly cost of flexible office space which wraps in CAPEX is appealing, and with the slightly softening – but still present – threat of a recession looming, flexible office space has the basis to perform well in spite of such a downturn, as we expect companies and individuals to look for greater flexibility to counteract increased uncertainty.

This is currently being reflected in the market: As a result of increasing demand, the average cost for a private desk in flexible office space saw a 22% increase year on year, surpassing the desk price pre-Covid by 13%¹².

As highlighted in the Offices section above, we have seen a flight to quality in the office market that has been matched in the flexible office space market; the enhanced service and amenity provision, and curated community in these spaces makes flexible workspace an attractive option for companies of all sizes, and we anticipate this will remain the case in at least the medium term. In the UK, the number of corporates occupying space is 24% compared with 7% in 2021, with small start-ups (2-10 people) accounting for 27% and start-ups (11-20 people) and scale-ups both representing 22%¹³, demonstrating that occupier types have become more evenly spread as more businesses embrace the product.

Co-working firms are continuing to take space to cater to rising demand among such firms for flexible, managed space both in London – where Knotel took c. 51,000 sqft of space in February – and importantly, outside of the capital. A noteworthy deal in February saw x+why take 66,000 SF in Milton Keynes, and many smaller operators are keen to take space – generally upwards of 10,000 sqft – in smaller towns where their business requirements are met.

It is important to note the financial struggles of one of the largest players in the flexible office space market: WeWork announced in September 2023 it was renegotiating nearly all its leases worldwide, totalling 777 locations in 39 countries in order to get itself onto a more stable financial footing in a near-final attempt to avoid bankruptcy, with the company reporting a net loss of \$696 million in the first half of 2023. This is predominantly a structural issue with WeWork specifically however, and whilst there are likely to be other businesses like it, the market has matured and generally the businesses that now occupy the space are more responsible with the leases they sign and so are less likely to fatally imperil their long-term viability in the same way WeWork did.

Local Market

There are several flexible workspace offerings in and around the Study Area. Within the Maylands/ Hemel Hempstead Industrial Estate area there are the following flexible workspace providers:

- Dacorum Borough Council opened FlexiDesx at Maylands Business Centre in August 2021. This is a relatively small scheme, offering ten desks that can be rented either by the hour, daily or weekly. There are no dedicated office spaces within this facility, although there are thirteen offices available to rent short term, of which 11 are currently occupied.
- Dacorum Borough Council also run Kylna Business Centre, which contains a further eight serviced offices and which was designed with the intention of providing follow-on space for businesses moving out of Maylands Business Centre. Our understanding is that none of these offices are currently in occupation.
- Spaces runs a flexible office of c. 25,000 sqft in The Maylands Building: This newly refurbished office building offers a range of facilities, including 93 private offices of flexible sizes, 47 desks in open plan working areas, four conference meeting rooms and lounge areas. The building also has facilities including a café, underground parking (155 spaces) and bike storage, and on-site showers. This offering is a letting within a larger building that is also occupied on conventional leases.
- HQ at Innovation House is located on Mark Road in the Study Area. This property is c. 10,000 sqft of office space held on a short term lease to Regus, and we understand this is in effect a meanwhile use, with vacant possession available with short notice if required by a purchaser.

¹² <https://www.workthere.com/en-gb/news-guides/news/demand-and-desk-prices-for-flexible-office-space-now-above-pre-covid-levels-says-workthere/>

¹³ <https://www.workthere.com/en-gb/news-guides/news/number-of-profitable-flexible-offices-in-uk-increases-to-87-as-sector-continues-to-climb/>

- Breakspear Park is a 221,000 sqft building situated just outside the southern boundary of the Study Area. It was refurbished in 2016 and is predominantly let on conventional leases to various businesses predominantly in the medical sector. The building has 50 parking spaces for all offices combined. Regus holds a lease of c. 11,000 sqft on the ground floor of the building which is segmented into desk space, small offices and breakout areas.
- BizSpace Hemel Hempstead: The sole tenant within the 49,000 sqft IMEX building, BizSpace has c. 27,500 sqft of space over ground – third floor. This property offers offices ranging in size from 90 sqft to 7,000 sqft on a flexible basis, in addition to larger service office basis, in addition to meeting rooms that are available to hire for occupiers and one-off users. The property was renovated in 2011.

As noted in the Offices section of this report, Maylands is the primary office location in Hemel Hempstead, and this is reflected in the concentration of flexible office space. There is only one further flexible office product situated in the main Hemel Hempstead town centre, which is The Workstation on Lawn Lane/ Corner Hall. This space comprises eleven suites ranging in size from 80 to 600 sqft, and these are offered as serviced office spaces on a flexible or long term basis.

It is notable that much of this space is occupying otherwise unlet conventional office space. In our conversations with agents, the overriding view was that – whilst there may be demand for flexible office space, low rents plus softer yields associated with short tenures to less well-established businesses makes the prospect of purpose built space by anyone other than the Council unrealistic. Our understanding is that the space the Council has supported, in particular the Maylands Business Centre, has been successful in supporting local businesses and remains well occupied, however Kynna Business Centre – intended as a follow on space once businesses have graduated from Maylands Business Centre and thus larger units available on longer term leases – is currently struggling to find occupiers.

Thus development of small, flexible office space would likely be received well by the market assuming such space was not over-provided. However, expecting the private sector to deliver such space at a significant scale – particularly given the significantly superior returns that can be achieved for industrial space – is unrealistic.

3.3.3. Industrial & Logistics

UK Trends

Throughout the Coronavirus pandemic and in the proceeding months, the occupier and investor demand for industrial property was at record highs. Much of this demand was driven by a realignment of the retail sector (both from historically in store and online businesses) towards delivery as customers were required to remain at home, a trend which has remained post-pandemic. The industrial market has seen this historic high tempered in recent months amid high inflation and interest rates, which have suppressed customer spending and businesses' capacity to invest in new space, alongside a slight but fundamental change in strategy from some of the most active companies during the boom period – most notably Amazon, who have significantly slowed their search for new space since the end of 2022.

This slowdown has resulted in the lowest quarterly figure of take-up since the pandemic being achieved in Q2 2023, with c. 12 million sqft of space taken by occupiers in this period. Furthermore, leasing in the twelve months to June has seen 65 million sqft of space taken, a reduction of approximately 35% compared with the 100 million sqft leased in the twelve months prior.

While these pressures on the sector have resulted in a deceleration of rental growth, it still remains above its historic rate at c. 7%, but this slowdown, coupled with elevating building costs and rising yields, is likely to put viability pressure on some new construction in the short-mid term.

Net absorption was slightly negative in Q2 2023 for the first time in 11 years. However, lettings have significantly outweighed deliveries for much of the past decade, which has kept the vacancy rate very low, at 3.9% by floor area. With 61.1 million sqft of industrial space in the pipeline across the UK, a slowdown in lettings is unwelcome, however the general view of the market is that – whilst vacancies are likely to creep outwards slightly as this space completes – it is unlikely to do so to levels that significantly negatively impact upon the sector as a whole, as a significant proportion of this space is understood to be pre-let.

This lack of demand from occupiers has been felt at the larger end of the market; eleven lettings of greater than 250,000 sqft were completed in the first half of 2023, just under half as many as in the same time period of 2022, and 60% less than the same period in 2021, when 26 of such lettings were completed. Retailers and third party logistics firms have significantly scaled back their growth ambitions in response to the wider UK economic slowdown.

Environmental, Social and Corporate Governance (“ESG”) considerations are becoming increasingly important in leasing decisions, with many third party logistics companies now positioning their services as a way of optimising sustainability efforts through businesses’ supply chains, and as such are seeking to occupy newer and greener industrial space. DHL, for example, is committed to achieving 100% net-zero carbon warehousing by 2025. The sector is expected to continue to benefit from this push towards net-zero carbon emissions, which should support leasing activity in qualifying buildings.

Owners of newer and more energy-efficient schemes are particularly well positioned to take advantage of the relative undersupply of such product, in particular given cost pressures faced by occupiers as well as increasingly strict environmental regulations being introduced. Industrial properties with the highest BREEAM ratings are experiencing stronger rent growth than the sector as a whole, where the unprecedented performance seen during the pandemic has begun to ease, again as occupiers face cost pressures in a subdued economic climate.

Local Market

Hertfordshire is a prominent, well-established industrial location that contains approximately 50 million sqft of industrial space. The bulk of this space is logistics, but there are also storage facilities and manufacturing based in the area. It is strategically located, sitting at the base of the M1 and A1(M) motorways that connect London with the Midlands and the North of England, and with the M25 London orbital motorway running through it. These transport connections help to make Hertfordshire a popular location for retailers and logistics operators; in particular those servicing London.

The area’s connectivity to the North, the Midlands and London via the M1 motorway and its relatively affluent and fast-growing population have helped drive demand for logistics space in recent years. Large occupiers in Hertfordshire include GlaxoSmithKline, in a 1.1 million sqft manufacturing facility on the outskirts of Ware, and the 668,000 sqft Ocado Customer Fulfilment Centre 1 on the outskirts of Hatfield, although recent news reports indicate that at least part of this facility will be vacated in the near future¹⁴.

Tight vacancy rates of c. 3% and robust demand have allowed for strong rental growth in Hertfordshire; average industrial rents have increased by 9.4% over the past 12 months, which is above the national average of 7%, and with average prime rents in Hemel Hempstead for big box warehouses (100,000 sqft+) at £14.00 psf and at £16.50 psf for smaller warehouses (10 – 50,000 sqft), Hertfordshire is currently one of the top five most expensive industrial markets in the UK.

Reflecting and reacting to this growth, it is no surprise that delivery of new space has been strong in recent years; more than 500,000 sqft of space has been delivered annually each year since 2017. This shows no sign of slowing, with just shy of 1 million sqft of space under construction in Hertfordshire, and whilst this may put slight upward pressure on vacancies, demand is such that much of this space should be absorbed by the market.

This assumption is based on the robust leasing activity of recent quarters, interestingly with businesses outside of the conventional manufacturing and distribution sector driving much of this demand. Location Collective, the UK’s third largest film studio operator, let 86,000 sqft of space within Ventura Park in February 2023, and another 32,000 sqft unit within the same park was let to Aerospace Reliance, a supplier of aircraft maintenance materials, in January. One of Hertfordshire’s largest-ever industrial deals occurred in September 2022 when Sky leased three units totalling over 300,000 sqft at Panattoni Park Borehamwood, part of Panattoni’s major speculative development programme in the UK. The move bolsters Sky’s commitment to Borehamwood, the home of Elstree film studios.

¹⁴ <https://www.thegrocer.co.uk/technology-and-supply-chain/ocado-set-to-close-its-hatfield-fulfilment-centre/678612.article>

The County's industrial market has not been immune from the UK's economic issues however, with Amazon announcing in January 2023 that it plans to close Boundary Way in Hemel Hempstead as part of an overhaul of its network, with the company planning to establish "state of the art" robotic facilities in the West Midlands and Stockton on Tees. After a period of rapid expansion, Amazon is in the process of transitioning from older, mid-market facilities to more efficient and strategically located ones; given the facility in Hemel Hempstead opened in 2012, it is clear that it is no longer capable of meeting the company's business needs. The space – the largest of its kind in Hertfordshire – is now being marketed for let in its entirety as Hemel 465, and we understand that an agreement has been reached with an occupier to lease this building in its entirety, although contracts are yet to be signed.

In addition to Amazon, Ocado has recently announced it will close its facility in Hatfield for similar reasons; the facility is one of the company's oldest and is no longer capable of meeting their business needs as they pivot to more advanced logistics facilities.

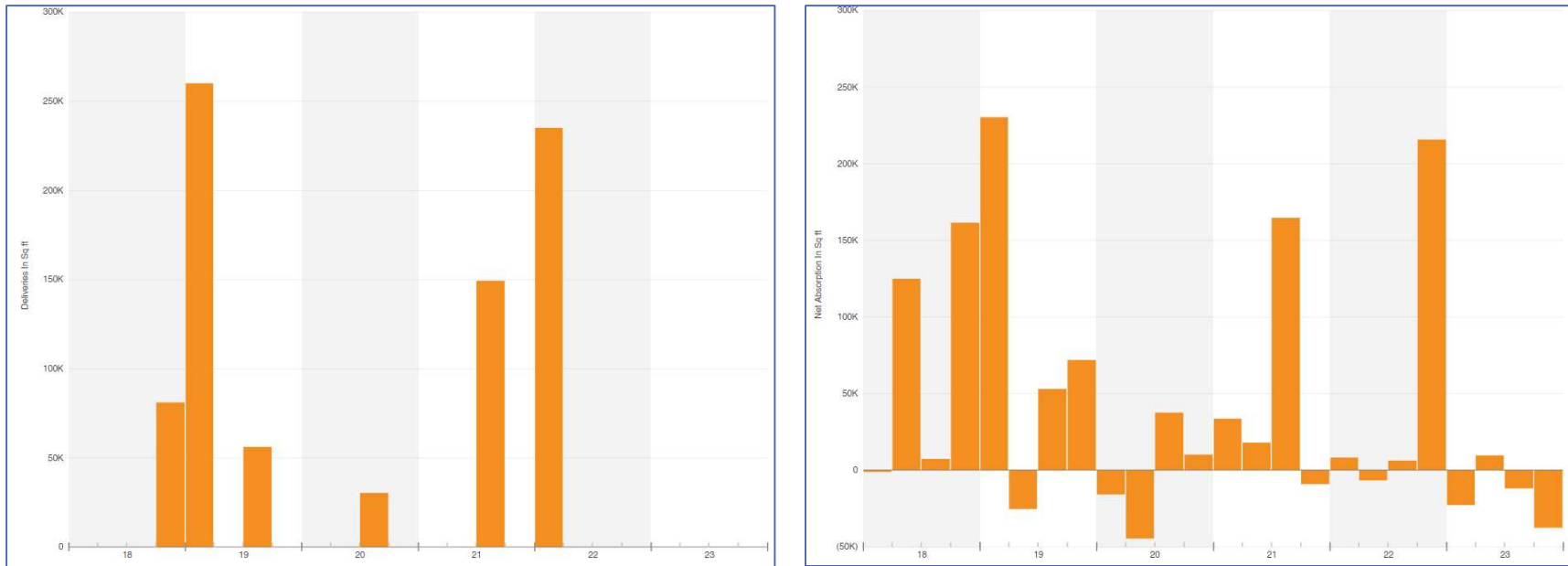
Industrial leasing has reduced since a three year high of 1.87 million sqft in 2021, to 1.3 million SF in 2022 and around 500,000 SF in the first six months of 2023. Despite this, average void periods remain low at 5 months. Hertfordshire's industrial vacancy rate has slowly increased since dipping below 2% in late 2019, although this is mostly a result of new space being delivered rather than negative absorption rates in the sector, and at 3.1%, vacancies remain very low.

Closer to the Study Area, there is approximately 9.4 million sqft of industrial space in Dacorum, which is just shy of 20% of all the space in Hertfordshire, and c. 6.65 million sqft of this space is situated within the Study Area. As with the wider Hertfordshire market, the Dacorum borough area has displayed very strong fundamentals post-coronavirus pandemic. Rents in the area have grown by 9.3% in the last 12 months, which is easily in excess of the average annual change of 7.1% for the borough in the past decade, and with vacancy rates of 1.7%, there is not much room for vacancies to reduce further.

Interestingly, in spite of this strong performance, there is nothing currently in the construction pipeline in the Study Area, although the area has seen significant recent deliveries nearby, including 233,000 sqft at Prologis Park within the Study Area, and 121,000 sqft at A1 Connect in Welwyn Garden City in 2022.

The sector has therefore been performing strongly in the UK, Hertfordshire and the Study Area for a number of years. Whilst it has slowed slightly recently, around the Study Area the combination of very tight vacancy rates, strong rents, and the lack of available new space or space in the development pipeline, coupled with the recent trend from businesses – including Amazon and Ocado nearby – to vacate older space in favour of more modern facilities, means it is reasonable to assume there remains market appetite for development of new industrial space at scale within the Study Area.

Figure 12 – Study Area: Five-Year Industrial Delivery (Left) and Absorption (Right)



Of the 9.4 million sqft in Dacorum, 8.1 million sqft (86%) is situated in or around Hemel Hempstead, of which 6.8 million sqft (79%) is located within the Study Area, as with offices making it the primary industrial location in Dacorum and thus one of the principal industrial locations in Hertfordshire. This preference for the Study Area from the industrial sector in Dacorum suggests that – as posited above – if there is an opportunity to pursue industrial development at scale within the borough, it will likely be most appropriate – and therefore best received by the market – in the area around the Study Area.

Whilst the market has slowed from its post-coronavirus peak, Industrial and Logistics continues to perform well in appropriate locations, although the slight slowdown coupled with challenges around increases in cost of development have made new development more difficult than at any point since 2021. However, given the strong strategic location of the Study Area – with direct access to the M1 and onwards to London the Midlands and the North East via Junction 8 – alongside the already established nature of the area for such uses, plus the good manufacturing base also present, makes this an area where various industrial subsectors could plausibly take space should it become available, in particular if it meets the growing expectations for the latest green technologies to be present on site.

The Study Area is undoubtedly one of those appropriate locations, and our conversations with local agents have reinforced this view: in spite of a slight slowdown in the market, there is persistent interest from the market in space in Hemel Hempstead, and at this juncture, industrial is generating the highest land values, is the most viable, and is the most sought after space by occupiers, as a result.

As a demonstration of how tight the industrial market still is at the Study Area – even with a slowdown from its post-coronavirus peak – the 475k sqft facility vacated by Amazon in 2023 has as of February 2024 been re-let in its entirety for 25 years to Brakes (Sysco), the food distribution business, approximately one year after Amazon announced they would be vacating the property, and c. eight months since the property was put back on the market. We understand that – prior to occupying the site – they

are undertaking extensive investment and remodelling of the site to improve its sustainability and to create a bespoke fitout for the company. This remodelling has included submitting a recent planning application to deliver a multi-storey car park on site.

For reference, regarding the size of units that will be most appealing to occupiers, we expect there to be significant demand for mid to large-box units of 50,000 sqft upwards towards 250,000 sqft. Even sizes as large as 500,000 sqft for logistics would appeal to the market, albeit not to the same extent as the smaller sizes. The reason for this is partially linked to geography: the largest logistics providers with the largest space requirements will see a significant capital cost saving by being in the midlands with similar strategic road network access at lower rents, whereas smaller “last mile” type businesses and those that prioritise moving goods quickly into London, and therefore do not need as much storage space, will prioritise being in the appropriate geography and reduce capital costs by taking smaller units.

Last Mile Logistics

As Covid has further exaggerated a long-standing trend towards online shopping, last mile logistics in particular has become a key part of the supply chain and the edge of town real estate landscape. In response to evolving customer expectations, urban logistics solutions are increasingly emphasizing shorter distances (in drive time) between warehouses and inner city delivery points (i.e. customer, parcel depot, and store). Whereas traditional logistics would be located out of town with access to the national road network and onwards to overseas distribution hubs (airports, docks), last mile – as the final step in the supply chain from a distribution centre to the end user – has different requirements, including:

- Situated on the edge of a town/city to reach delivery destination within an hour
- Good access to national (for goods in) and local (for delivery) road networks
- Size of between 30,000 – 50,000 sq ft

In terms of sites and their locations, C&W research¹⁵ highlights several key factors that are considered to be important when selecting sites. These include the number of parcels flowing through the urban supply chains of parcel companies, density of the local population plus buying power of that population, spending per customer, number of parcels per customer and the average number of parcels per van, per day. Whilst much of this cannot be assessed for this report, the key locational factor for Last Mile Logistics in Hemel Hempstead is its proximity to north west London and thus its capacity to serve this area. This has driven rents upwards through a combination of limited similar supply plus high demand, and much of the desire to pay these higher rents will be linked to a business need to be in a specific geography – in this instance Hemel Hempstead’s access to London. This is explained further in the main “Local Market” section above.

Longer-term, Hemel Hempstead’s status as a Garden Town and the resultant population growth in the area, means that the density of the local population is likely to increase significantly in the coming years. As a result, it is reasonable to assume additional infrastructure will be required to service this new population, and thus generate additional demand from last mile providers serving the local area rather than just London.

In terms of site suitability and fit – particularly from a policy perspective – within the Study Area there are several considerations that may influence decision making regarding this use.

Most importantly, from a planning perspective this use falls under Use Class B8 in most instances, and thus will be within the same use as heavier logistics that planning policy is seeking to regulate in favour of other higher-value uses. This means there is a risk – where planning is the only tool to control uses – that a site allocated for B8 for the purpose of last mile will be taken by the heavier logistics uses, although there are other factors that may restrict heavy logistics including:

- Public sector control through land ownership, with the Council only selecting B8 users that meet last mile business criteria.

¹⁵ Urban Logistics: The Ultimate Real Estate Challenge?

- Unit sizes, as smaller sites will be less attractive to large scale logistics.

Regarding the use itself, it may be more appealing to stakeholders than “heavier” logistics uses due to its lower reliance on very large vehicles, conversely however, it likely still does not meet the Council’s expectations regarding job quality, given the majority of jobs generated will be equivalent to other types of logistics.

Supply

As noted in the Local Market section above, there is currently no industrial space in the construction pipeline at the Study Area, and as noted above there has been significant floorspace completed recently. We understand that there are several major planning applications that have been granted consent, as follows:

- REF 22/03304/MFA: Demolition of the existing office building and redevelopment to provide a single building for use classes E(g)(ii), E(g)(iii), B2 and B8 (applied flexibly, for which permission was granted in May 2023. This is a flexible industrial building covering research and development of products, processes or industrial processes, or conventional industrial space. The proposed property extends to 50,000 sqft GIA and comprises one industrial unit with ancillary offices at first floor.
- REF 21/03793/MOA: Hybrid planning application by Prologis, granted June 2023, for the redevelopment of Land at Green Lane (Maylands Gateway) in four plots to provide up to 287,000 sqft of new commercial floorspace, All these units will target an EPC A+ rating, and BREEAM Outstanding rating, as well as being net zero carbon in construction. The planned commencement of the proposal is Q4 2023, with completion anticipated in Q1 2025, and the proposal comprises:
 - Plot 1A: 45,200-52,700 sqft EG(i), EG(iii), B2 or B8
 - Plot 1B: 97,000 sqft EG(iii), B2 or B8.
 - Plot 2: 75,000 sqft EG(iii), B2 or B8.
 - Plot 3: 61,800 sqft of B8.
- REF 22/03812/MFA: Demolition of existing building and redevelopment of Land at Eastman Way to provide a commercial building of flexible uses within Class E (g)(iii), B2 and B8, extending to 115,550 sqft plus 13,400 sqft of ancillary office space. The application was validated in January 2023, and the planning status as at the date of this report was listed as “with planning case officer”.

These have been summarised and analysed further in the Supply section 3.4 below.

The ongoing appeal process regarding the proposed Radlett rail freight terminal scheme in St Albans has the potential to impact upon the Study Area and so is important to consider. This is an extensive proposal seeking to deliver 3.4 million sqft of new industrial space c.8.5 miles south of Hemel Hempstead, and as such has the potential to reduce demand for such space at Maylands.

However, whilst the full ultimate extent of development at Radlett will mean the site is a competitor to Maylands, the delivery of the full extent of floorspace at Radlett is likely to take a significant amount of time to build out. As such, in the short to medium term and subject to planning being achieved it is unlikely that development at Radlett will be sufficiently rapid to fully cannibalise demand at Maylands.. Furthermore, whilst the scale and location does to some extent mean this site will be a competitor with the Study Area, the fact that the scheme is to be rail-focused as opposed to purely road as at the Study Area means it will likely not entirely overlap/ compete with the space at Maylands.

Finally, this scheme is currently being challenged in the High Court, and is likely to face delays as a result. This will likely further extend the delivery timescales of this scheme, thus making it less likely to deliver at scale until later in the development cycle at the Study Area; assuming current demand, we would therefore – as noted above – expect the majority of new industrial to be complete at Maylands by the time delivery really “ramps up” in terms of scale at Radlett Terminal.

3.3.4. Data Centres

UK Trends

Data centres are defined for the purpose of this report as properties used to house computer systems and associated components, such as telecommunications and storage systems. The economic tumult of inflation, combined with rising interest rates and contraction in the tech sector has affected the entire data centre industry. During the first half of this year, the spike in energy prices had a noticeable impact on the balance sheets of operational data centres, while the availability of power and components had a slowing affect on some pipeline projects.

In spite of these physical limitations, this is still clearly an expanding sector. JLL reports¹⁶ that the first two quarters of 2023 saw record demand for data centres in the principal EMEA markets, with take-up increasing by 65% compared with the previous year. Although this take-up was driven by Frankfurt, London is still a primary market.

As it stands, the UK market for data centres predominantly revolves around London, which is one of Europe's primary locations with the highest number of data centres (177 providing 1,021 MW of power) of any key EMEA data centre location. Whilst land and power may not be plentiful in the Capital, availability currently remains good relative to other data centre markets in EMEA, although C&W's data centre team expects this to change in the future as demand starts to outstrip supply, and appropriate land with the required power sources becomes increasingly scarce. It is reasonable to assume these market conditions will cause growing cost pressures on such sites, encouraging major players to expand their list of locations away from the Capital.

Local Market

Whilst London is the main centre for the sector in the UK, this is changing as land and price pressures increase. This has led to developers exploring alternative locations where access to land, power and importantly end users is readily available. Hertfordshire and Hemel Hempstead in particular has been one of the more popular locations, attracting many businesses due to its proximity to London and excellent connectivity links, with easy access to the UK motorway network and London airports.

NTT Currently has three data centres in the Hemel Hempstead area and a further centre in the construction pipeline, all of which are located in the Study Area, totalling 39.9 MW max IT load and 16,600 sqm (c. 180,000 sqft) of server space. Further from the Subject, but still within Hertfordshire, several other notable projects are in the planning phase, the most significant of which is a 900,000 sqft data centre being proposed at Broxbourne Business Centre.

Supply

As noted in the Local Market subsection above, NTT has several facilities in the Study Area, one of which (Hemel Hempstead 4) is currently being constructed at Prologis Park to the south of the Study Area.

¹⁶ <https://www.jll.co.uk/en/newsroom/largest-second-quarter-on-record-for-data-centre-demand-in-europe>

3.3.5. Research & Development

UK Trends

R&D and science parks will comprise a cluster of office, laboratory, workshop and meeting spaces on a single site. The overarching purpose of these sites is varied and will often be influenced by the park's location, but they will almost certainly focus on innovation in technology, medicine, construction or other scientific disciplines. Whilst seemingly superficially similar to an office/ business park, the provision of state of the art equipment and facilities, and frequent links – either geographic or business-led – to a university generally set a science park apart from a conventional business park. Science parks seek to foster collaboration and communication by clustering like-minded businesses together on a single site.

Beyond the links to either a university or some other form of innovation centre, some of the typical characteristics/ requirements of these parks are: good access, generally at a minimum by road but also frequently by rail; buildings set apart from one another, not sharing party walls etc.; designated surface car parking provided for each building; and landscaping to make the park attractive to users.

The preference of these innovative industries to cluster together within science/ business parks outside of cities has facilitated growth in space requirements to some extent as it means growth is not constrained by the boundaries of a city or by a specific geography. However, there is still a significant degree of specificity to the locations in which these industries choose to group together.

Whilst demand for uses in this sector is high, supply is quite constrained due to the risks associated with speculative development and the specific requirements of the various industries that typically use this type of space.

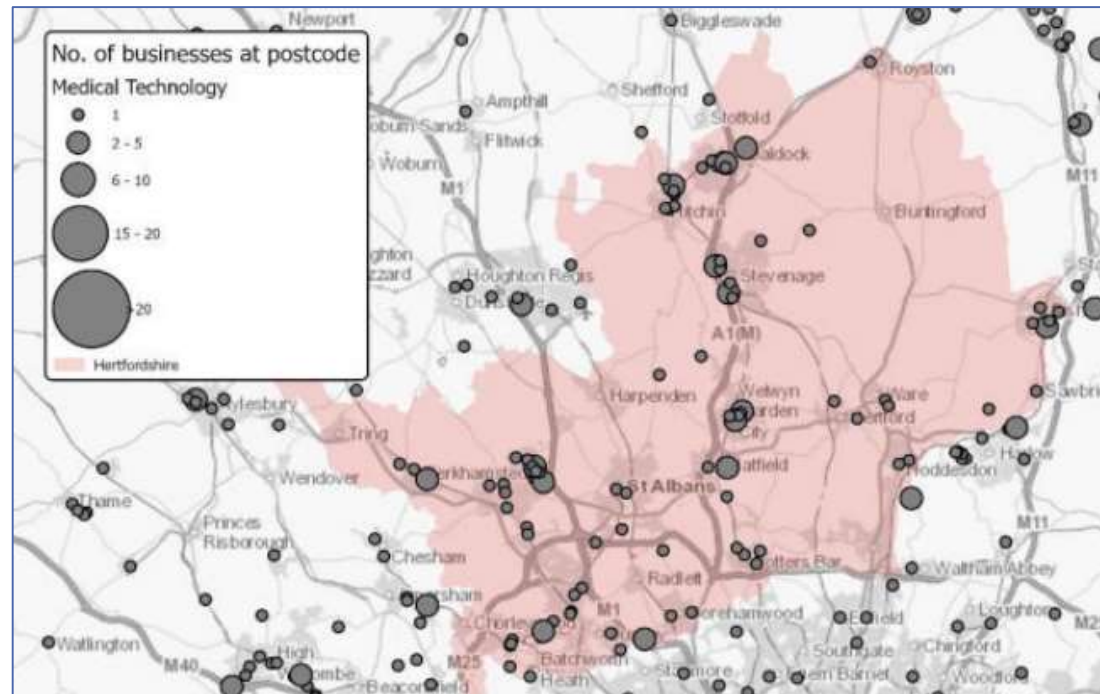
Local Market

Hertfordshire has long been attractive to the R&D sector, and Life Sciences businesses specifically, in part due to the quality and depth of the local labour market, in addition to its proximity to both London Heathrow Airport, and its strong rail and road links (and location between) London and Cambridge. In part as a result of long-term investment and strategic planning, much of the County's Life Sciences (and therefore R&D) space is centred around Stevenage, where GlaxoSmithKline have a very large campus. As a result, whilst Hemel Hempstead is undoubtedly a secondary location for life sciences, there are reasons to be optimistic regarding the town's future prospects in either Life Sciences, or adjacent industries, which are detailed within this section.

In 2022, there were 245 active life sciences businesses registered in the county¹⁷. Biopharmaceuticals businesses are predominantly concentrated in Stevenage, and the current preference for businesses is along the A1 corridor which provides the best connectivity to both Cambridge and London. As such, Welwyn Garden City is comfortably the second largest location for these institutions. However, according to Hertfordshire LEP data (figure 13 below) medical technology activity is much more widely distributed, with Hemel Hempstead forming one of the primary clusters for the region.

¹⁷ Beauhurst via Hertfordshire LEP.

Figure 13 – Number of Medical Technology Businesses by Location



According to ONS data in 2021, there were 20 biomedical technology businesses in Hemel Hempstead, of which 10 are located within the Study Area, and a further three are located on Breakspear Park, just outside its southern boundary. The 20 biomedical technology businesses is almost exactly average for the 389 towns in the dataset, although when removing Oxford, Cambridge and London, which skew the figures significantly due to their significantly greater sizes relative to all other locations (c. 1,500 or 20% of all UK biomedical technology businesses are in one of these three cities) this average per town decreases to just under 16. This means Hemel Hempstead is a fair way above average for the UK, even with towns with large life sciences clusters such as Milton Keynes and Stevenage included.

A note of caution however regarding the suitability of the Study Area for biomedical technology and adjacent businesses: these types of business frequently use very sensitive (to both vibration and noise) instruments either in experimentation on or production of equipment/ processes. Given the prospects of this site being supported for industrial uses in planning policy terms, and likely of interest to this sector in the shorter term than the medical technology industry, it may be important to safeguard land or design the masterplan appropriately to ensure such users are not dissuaded from moving to the area by the presence, for example, of frequent use by large lorries serving distribution hubs.

As noted within the Offices subsection of this report, Praxis have recently purchased Breakspear Park, which is just outside the southern boundary of the Study Area, with the stated intention of converting the whole building into a life sciences hub. We recommend monitoring this scheme carefully moving forwards as it would be the first of its kind – as a bespoke life sciences hub – in the area and as such will be a litmus test for the potential expansion of life science activity on Maylands.

Supply

As noted above, many R&D type facilities fall flexibly within either office or industrial type space dependent on the end user, and as such, many occupiers within R&D-adjacent industries will refurbish an existing building that suits their basic needs rather than a new building being bespoke to an occupier. As such, the following planning applications for R&D space are not for the construction of new buildings, rather the change of use from either industrial or office, into R&D space.

- REF 22/03056/MFA: 2 Centro Building, an application for change of use from Class B8 to a flexible use for B8, B2, and E(g)(ii) and (iii) uses.
- REF 22/03191/FUL: Unit 4 Maxted Corner, an application for the change of use of the existing unit for a flexible use within use classes E(g)(iii), B2 and B8.
- Not a planning application, but as noted above we understand that Praxis have purchased the Breakspear Park Building in September 2023, with the stated intention of converting the 300,000 sqft office building into a life sciences hub.

The flexible nature of these uses means it is difficult to pin down whether the properties referred to in the two planning applications will be used for R&D in the future – a scenario that will more likely be based on demand than landlord aspirations – but the evidence from these changes of use suggests that landlords think there is an opportunity to attract such occupiers to the Study Area. This supply has been summarised and analysed further in the Supply section 3.4 below.

3.3.6. Retail & Leisure

UK Trends

Retail vacancy has been trending upwards for much of the past decade as online competition, high rents and business rates and weak in-store sales have eroded margins and led to widespread store closures. While the share of total spending spent online has come down since peaking at 36% in early 2021, it remains well above pre-pandemic levels and is unlikely to fall below 25% again, so this will remain an issue for retailers for the foreseeable future.

More recently, the confluence of individually economically damaging events including: the lockdowns initiated by the Coronavirus pandemic; the formal enactment of the Brexit vote and the barriers to trade this has put up; the Russian invasion of Ukraine and the resulting restriction in the availability of oil and other basic commodities; and the Conservatives' mini budget of 2021 have all collectively either directly impacted upon the retail sector, or combined to cause persistently high inflation and the current cost of living crisis. These factors have placed significant weight upon consumer confidence, and thus placed increasing downward pressure on consumers' retail expenditure in the past 18 months.

Leasing has fallen away this year as many retailers struggle with these higher costs and falling margins, with Wilko a high-profile recent casualty. Retail rents continue to decline and further losses are likely in the near term, although retail parks with a grocery anchor and high streets in affluent locations have continued to outperform the sector as a whole.

Exceptions do exist, particularly for supermarkets and retail parks, where occupier and investor demand remains healthy, and national net absorption has turned positive over the past 12 months. Discount retailers are also continuing to expand, mainly in out-of-town locations. A host of big lettings by B&M, Dunelm and Poundland have occurred in recent months. B&M has been especially active, taking c. 20,000 sqft stores in Camberley, Llanelli, Northwich and Stockton-on-Tees during 2023, while also obtaining c. 50 stores from Wilko. Value supermarkets, convenience stores and lifestyle retailers also remain active, with the likes of Lidl, Aldi and Decathlon expanding into new sites, while gyms like Third Space and Pure Gym continue to expand into traditional retail units.

The combination of an uptick in demand for space and fewer retail units available to let has helped stabilise the national vacancy rate at 13.9%¹⁸, although this is clearly in part related to the removal of retail stock as it is converted to other uses as well as a slight recovery in certain parts of the occupier market. On the supply side, little new retail space is in the pipeline in the near/ medium term. Construction starts fell to a 15-year low in 2022 and this year is on course to be even quieter. Most recent and ongoing retail construction is in the form of town centre regeneration, with local authorities proactively working with retail landlords to revitalise high streets in places like Maidenhead, Slough, Stockport, Bolton, Lewisham and Basildon. A host of shopping centres have been acquired recently for redevelopment or repurposing.

Repurposing, where high yields and opportunities to redevelop large, centrally located buildings tempted investors and developers into the retail sector, was a post-pandemic trend until the latter half of 2022 that helped stabilise the sector through this period. However, rising interest rates and inflation have made retail investment increasingly challenging even for repurposing. In spite of this, recent planning relaxations should lead to the accelerated removal of redundant retail space in many towns and cities where alternate uses are more viable, although in many locations there are viability pressures around the majority of town-centre appropriate commercial (non-residential) uses which may hinder this change.

Mixed-use projects are likely to be the future of new retail construction moving forwards, although designer outlet villages are being built in the Cotswolds and Darlington. Supermarket convenience stores will continue to be added as part of out of town and residential-led developments.

Local Market

As with the wider UK, the Hertfordshire retail market has seen rents decrease in both the short and long term, having contracted by 1.1% annually in the past three years. Average annual retail construction has been at 57,000 sqft across the same time period. This delivery rate has had very little impact on the vacancy rate in the County, which has remained virtually unchanged in the past ten years.

Interestingly, and very much bucking the wider UK (and Hertfordshire) trend, there is currently just shy of 130,000 sqft of space in the construction pipeline in the County, the largest amount of new space in over three years. The majority of this (c. 90,000 sqft) is located within Royston Gateway, a mixed-use development on the northern outskirts of Royston which comprises industrial and specifically retail warehouse/ car showroom-type retail.

Closer to the Study Area, retail vacancies in Dacorum were slightly elevated relative to the five-year average during the fourth quarter of 2023, but were essentially unchanged from this time last year, although this rate is still above the retail market average for the UK as a whole. Reflecting this softening of the market locally and across the UK, retail rents have fallen by 1.4% in the past twelve months, the weakest performance in the past five years.

High Street/ Local Retail

There is currently no retail space of scale underway in Dacorum or more specifically in the area around the Study Area. An Aldi, McDonald's and Costa drive-thru were completed in 2019 at the southern edge of the Study Area, however the wider planning permission – for more extensive retail provision – was not enacted upon, with the remainder of the site being sold for industrial development, likely in part due to the low values of retail compared with industrial. This value disparity between uses will prove to be a challenge for any desire to see retail delivered at Maylands.

This type of use is likely to form some part of the future development in the Study Area, in particular around any existing office space or any future development across a mix of uses, as efforts are made to reinforce the services available to the new users or new residents either within the Heart of Maylands or any future development. The likelihood of this type of use being viable in isolation is low, unless the convenience arm of a larger retailer such as Tesco (who already have a presence in the Study Area) or Sainsbury's can be attracted to the location. This is because these businesses generally pay strong rents for the right space, and have stronger covenants that consequently strengthen yields and thus capital values.

¹⁸ Local Data Company Data

Trade Counter Retail

Alongside the conventional high street retail/ leisure which is predominantly located in the Heart of Maylands area, there is a trade counter presence within McDonald Business Park. This is a retail-led light industrial park housing tenants such as Screwfix, Toolstation, Magnet Trade, Kipling Motorist Centres and Easy Bathrooms. This Business Park currently has three vacant units, with two of those under offer. In our conversations with local agents they considered this to provide adequate supply of this type of use, as all the major occupiers are already present within the town – and in this park specifically. As such, we consider it to be inadvisable to propose significant further space within this sector beyond the existing provision as the market is well served and the principal tenants for this subsector are already in the area, significantly limiting potential occupiers for any new space.

Out of Town Retail

Whilst conventional town centre retail has clearly struggled in recent years, retail parks in out of centre locations have historically seen higher demand from customers and occupiers, and therefore lower vacancy rates and stronger rents. This strength of retail parks is driven by being convenient, easily accessible, highly visible, with large units and adjacent free parking, meaning they are increasingly able to attract customers away from town centres.

These strengths have helped drive a number of trends in the retail market, most notably larger retailers closing their smaller stores and relocating into larger retail park locations as they seek to consolidate their store portfolios and concentrate their stores into prime locations, where they are accessible to multiple traditional catchment areas. As noted in the UK market section above, convenience and discount retailers exited the pandemic in a much stronger position than many others within the sector, and these businesses are now targeting out of town retail parks. Interestingly, it is not just retail uses that have been seeking space in such locations; leisure activities – in particular gyms – are increasingly looking to cluster around retailers in out of town parks. Such uses would likely need visibility and easy access from the motorway.

The nearest edge and out of town retail park schemes to Maylands include:

- Abbey View Retail Park and Griffiths Retail Park in St Albans
- Apsley Mills Retail Park on the southern edge of Hemel Hempstead, which comprises five main units extending to c. 95,000 sqft, housing tenants including The Range, Wren Kitchens, Carpetright, Argos Extra and Curry's.
- Colney Fields on the outskirts of London Colney and on Junction 22 of the M25. Across its two phases this park comprises nearly 380,000 sqft of fully occupied retail space, housing tenants including a Sainsbury's hypermarket, an M&S, and a number of high street brands including Next, Boots, Costa, TK Maxx, JD Sports and Paperchase.
- Jarman Park is on the southern edge of Hemel Hempstead town centre on St Albans Road, approximately 1.5 miles north of Apsley Mills Retail Park. Unlike the aforementioned retail parks, Jarman Park is a leisure park, and so predominantly comprises uses such as restaurants, bars, a children's play centre, a Cineworld cinema, an ice rink and a gym alongside a Tesco Extra. The scheme was renovated in 2014, and is 100% let.

Given the nearest out of town retail park, Apsley Mills, focuses predominantly on big box retail, there could be potential future requirements from more high-street and budget retailer focused occupiers for an out of town location, particularly as the local population grows. Sites with visibility from and easy access to the strategic road network would be the most attractive. Great care would need to be taken regarding the balance of any retail with objectives to regenerate Hemel Hempstead town centre in particular.

A further opportunity may present itself as a result of policymaking within the Two Waters Masterplan Guidance Document, which is covered in more detail in Section 2.2.2 of this report. This document proposes densification of residential around Apsley station, which may in the long term be at the expense of Apsley Mills Retail Park and occupiers who may require an alternative location.

Supply

As noted above, there is currently no space in the planning or construction pipeline in the Study Area.

3.3.7. Hotels

UK Trends

Year-to-August results point to ongoing growth in the UK hotel sector. Room demand growth is stabilising, trending slightly ahead of pre-pandemic performance, with occupancies now on par with 2019, as trading is returning to more normalised levels. From an international perspective, visits from overseas are likely to remain high in the UK this year, especially from countries such as the U.S. and Asia in another positive for the sector.

Living standards are likely to be negatively impacted by interest rate rises, putting some pressure on discretionary consumer spend, possibly leading to softer demand from a leisure perspective. Conversely, the high costs of international travel could encourage domestic travel. Given pressures on British spending power, it is likely holidaymakers will trade down on their hotel choices, with the Economy sector due to benefit most from this pattern.

Conversely, luxury hotels are generally considered to be the most resilient during challenging macroeconomic periods as, typically, affluent consumers are most likely to travel and feel the least impact from growing costs. Reflecting this, despite a more sluggish occupancy recovery, high-end hotels have been key in driving the Average Daily Rate of UK hotels upwards in the last 12 months, as luxury and upper upscale hotels have benefitted most from a resurgence in leisure, and have shown the greatest increase in pricing.

The final key component of a healthy hotel sector after the aforementioned domestic and international travellers is the business sector, which has continued to rebound post-coronavirus pandemic, meaning weekday room nights are now virtually on par with pre-pandemic performance. Transient trade returned more quickly than group nights and has been the principal driver of this recovery post-pandemic, however the latter is expected to improve this year as companies continue to expand their number of in-person, meetings, events and conferences.

Despite this positivity, hotel owners and operators still face various challenges. Inflation is squeezing profit margins, while the ongoing staffing challenges caused by Brexit continue, and increases in payroll resulting from rises to the national living wage in recent months further increasing staffing costs.

Hotel development has continued in the past 12 months in spite of various issues within the construction industry, from increasing expenses, to staffing shortages to availability of materials. Across the UK a further 89 new hotels were constructed, and coupled with extensions this resulted in approximately 7,900 new rooms being completed. There are a further c. 24,000 rooms in the construction pipeline, equivalent to c. 3.4% of the total UK inventory, with cities such as Glasgow and Liverpool due for the greatest room growth. As with construction, the planning pipeline remains strong with over 44,000 rooms in the final stages of planning, however aforementioned challenges in the construction industry could reduce the number of projects brought forward in the coming years.

Local Market

Hertfordshire houses approximately 8,600 rooms in total across 138 hotels. Economy hotels dominate the region with brands such as Premier Inn and Travelodge being major players. New supply added in recent years has been driven by these economy hotels, with an 130-room Travelodge opened in St Albans City Centre and a 92-room Premier Inn in Rickmansworth, both of which completed in 2021. Whilst the pipeline is relatively limited at present, any future growth in the number of rooms is likely to continue to be driven by these same hotel brands.

Hotels in the area benefit from passing trade given their connectivity to major roads such as the A1, M11 and parts of the M25, connecting London to the north and Cambridge. The region includes office hubs with Stevenage and Watford being home to company headquarters such as Hilton, TK Maxx, Airbus and Fujitsu, supporting business trade here. Stansted Airport is another main demand generator, and the area also contains a number of country house properties and wedding venues, which further support leisure business throughout the year.

In terms of market performance, Hertfordshire has seen a continuation in the post-Coronavirus pandemic trend in the UK of growth in the hotel sector. Revenue Per Available Room has achieved double-digit annual growth since the pandemic and this trend is continuing in the year to July 2023, pointing to a strong 2023 for hotels in the County.

Hemel Hempstead town centre and Maylands area contain five and two hotels respectively, and both areas house a Travelodge and Holiday Inn. At Maylands, the Travelodge has 108 rooms and was completed in 2012, with the Holiday Inn – which opened in 1992 – containing 150 rooms. Both of these hotels are towards the southern boundary of the study area near Breakspear Way. As it stands, this appears to be adequate supply as both businesses, plus Premier Inn, do not include Hemel Hempstead on their target locations maps, although it is reasonable to assume that hotel capacity may need to increase if there is extensive development of new business space in the location in order to accommodate the additional visitors/ workforce within the business park.

Supply

There are no hotels in the planning pipeline within the Study Area.

3.3.8. Residential

UK Trends

In order to control inflation, the Bank of England have been increasing interest rates, reaching 5.25% in August 2023. The residential market is extremely sensitive to interest rate rises and as a result, mortgage interest rates increased to c.6% in July 2023. Housing market activity continues to slow, as rising interest rates, high inflation, and a weaker economy impact buyers' confidence.

Mortgage interest rates increased throughout 2022. For example, a 2-year fixed mortgage rate on a 90% LTV was 1.95% in January 2022, peaking at 6.28% in November 2022. Rates had improved slightly, declining to 5.14% in April 2023. However, with inflation remaining stickier than expected, mortgage rates increased to an average of 6.56% in July 2023. Monthly mortgage payments have or will become more expensive for many households as the wider cost of living crisis continues to bite¹⁹. 49,444 mortgages were approved in July 2023 (seasonally adjusted). Approvals were 9.5% below last month, as further mortgage rate rises deterred buyers. Mortgage approvals were 21.7% below last year and 26.5% below the pre-pandemic average²⁰

An estimated 86,510 sales completed in July 2023. Sales were 0.8% above last month reflecting sales agreed several months ago when mortgage rates temporarily fell, but sales remain 16.3% below the same time last year and 13.6% below pre-pandemic levels (July 2017-2019 average)²¹.

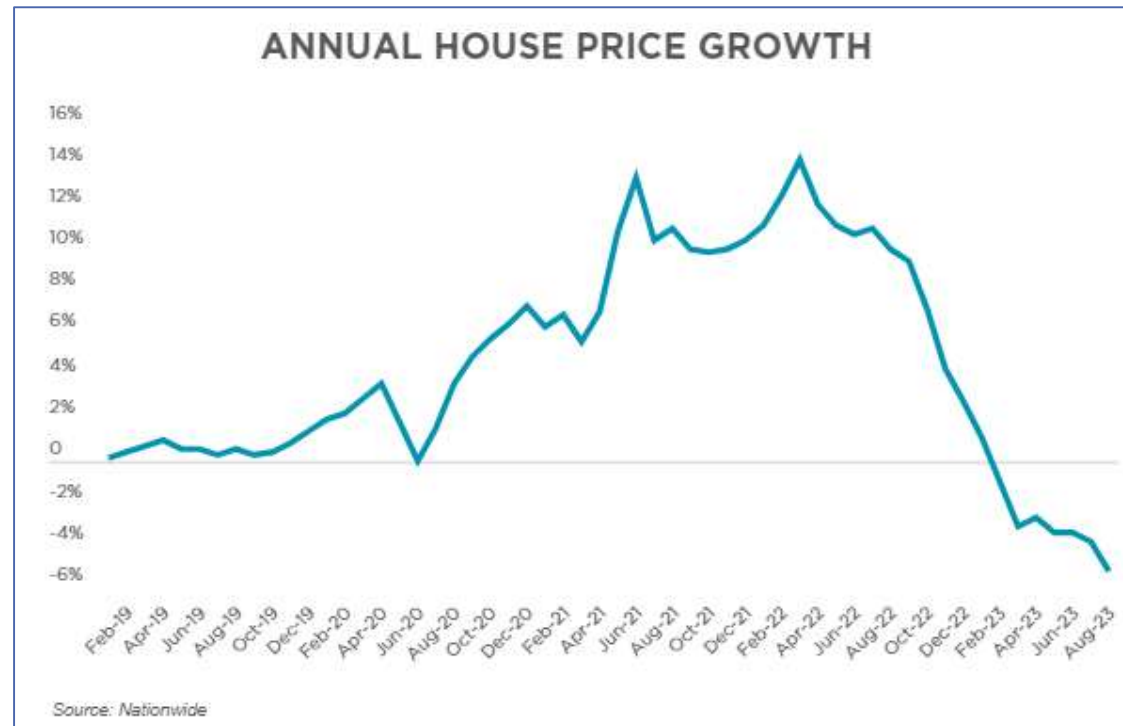
¹⁹ <https://www.bankofengland.co.uk/statistics/visual-summaries/quoted-household-interest-rates>

²⁰ <https://www.bankofengland.co.uk/boeapps/database/fromshowcolumns.asp?Travel=NlxAZxSUx&FromSeries=1&ToSeries=50&DAT=RNG&FD=1&FM=Jan&FY=1979&TD=31&TM=Dec&TY=2022&FNY=Y&CSVF=TT&html.x=66&html.y=26&SeriesCodes=LPMVTVX&UsingCodes=Y&Filter=N&title=LPMVTVX>

²¹ HMRC Data

Nationwide²² reported annual house price growth at -5.3% in August 2023. The softening was not surprising given August 2022 was the peak of the market and the recent rate rises; this house price growth has been depicted in Figure 14 below. Halifax²³ reported annual house price growth at -4.6% in August 2023.

Figure 14 – Annual House Price Growth: United Kingdom



Local Market

Land Registry Data – as depicted in Figure 15 – demonstrates that the prevailing trend in the UK as a whole has been very closely mirrored within Dacorum, showing the Borough is not immune to the same macroeconomic factors that have impacted the wider UK market; most notably for this report, the recent post-mini budget dip in property value and transaction numbers associated with rapidly increasing mortgage rates. Whilst the shape of house price growth in Dacorum has broadly followed the UK, the Borough has been less profoundly impacted upon by this mortgage rate-initiated dip; the peaks of growth in Q2 2021 and Q1-Q3 2022 were not as high as the UK average, reaching a maximum of slightly below 9% compared with the UK average of nearly 14%, but the recent dip has only seen growth slow to c. 1% in Dacorum, rather than turning

²² <https://www.nationwidehousepriceindex.co.uk/reports>

²³ <https://www.halifax.co.uk/media-centre/house-price-index.html>

sharply negative (-6%) in the UK as a whole. The average house price in Dacorum is significantly above the average for the United Kingdom, which sit at £471,555 and £291,044 respectively as at August 2023.

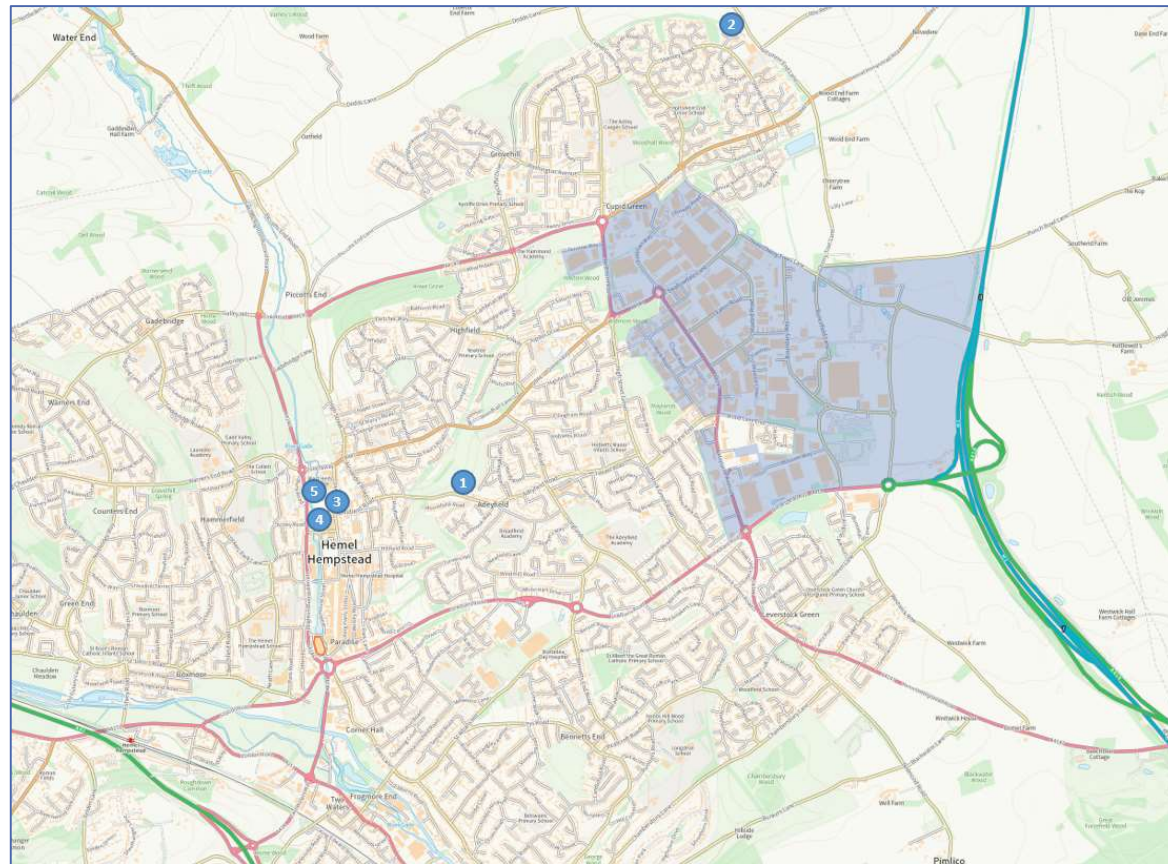
Figure 15 – Annual House Price Growth: Dacorum



Focusing more directly upon the Study Area, there have been 33 residential sales in the last 12 months, with an average value that is slightly below that for the wider Borough at £438,545 or £464 psf, with the average size of units sold being 945 sqft. Notably none of these transactions were for new build space, and the last new build transactions completed were added to the Land Registry in 2021, with one further unit in January 2022. These new build units were all within the Zoffany Place scheme, and averaged values of £385 psf – significantly lower (17%) than the values achieved in the past twelve months for second hand houses in the area.

There are a number of new build schemes on the outskirts of the Study Area that have sold units in the last twelve months, and these are summarised overleaf.

Figure 16 – Comparables Map



Map Ref	Scheme Name	Residential Typology	Average Value	Average Floor Area (sqft)	£psf
1	Park View Rise	Semi & Detached	£518,333	1,292	£401
2	Maple House	Flats	£240,200	619	£388
3	The Exchange	Flats	£218,750	474	£462
4	The Gade	Flats	£240,200	619	£388
5	The Foundry	Flats	£240,200	619	£388

Park View Rise, HP2 5FU					Map Ref: 1
Unit Number	Date sold	Residential Typology	Sold price	Floor area (sqft)	£psf
6	Nov-22	Semi Detached	£510,000	1,238	£412
7	Nov-22	Semi Detached	£510,000	1,292	£395
8	Nov-22	Semi Detached	£485,000	1,292	£375
5	Nov-22	Semi Detached	£515,000	1,313	£392
4	Nov-22	Semi Detached	£510,000	1,313	£388
3	Nov-22	Semi Detached	£540,000	1,313	£411
35a	Nov-22	Detached	£510,000	1,087	£469
37	Nov-22	Detached	£575,000	1,668	£345
35	Nov-22	Detached	£510,000	1,109	£460
			£518,333	1,292	£401

Maple House, HP2 7BY					Map Ref: 2
Unit Number	Date sold	Residential Typology	Sold price	Floor area	£psf
15	Mar-23	Flat	£200,000	581	£344
9	Oct-22	Flat	£235,000	538	£437
14	Oct-22	Flat	£228,000	560	£407
19	Oct-22	Flat	£235,000	549	£428
16	Oct-22	Flat	£200,000	560	£357
2	Sep-22	Flat	£235,000	538	£437
26	Sep-22	Flat	£295,000	721	£409
7	Sep-22	Flat	£235,000	581	£404
20	Sep-22	Flat	£260,000	721	£361
23	Sep-22	Flat	£225,000	581	£387
1	Aug-22	Flat	£225,000	560	£402
10	Aug-22	Flat	£270,000	764	£353
18	Aug-22	Flat	£265,000	764	£347
12	Aug-22	Flat	£260,000	721	£361
			£240,200	619	£388

89 The Exchange, HP1 1EH					Map Ref: 3
Unit Number	Date sold	Residential Typology	Sold price	Floor area	£psf
Flat 19	Dec-22	Flat	£197,500	409	£483
Flat 22	Jun-22	Flat	£240,000	538	£446
			£218,750	474	£462

The Gade, HP1 1DR					Map Ref: 4
Unit Number	Date sold	Residential Typology	Sold price	Floor area	£psf
58	Dec-22	Flat	£270,000	560	£482
37	Dec-22	Flat	£254,950	560	£455
1	Dec-22	Flat	£350,000	753	£465
56	Dec-22	Flat	£266,000	538	£494
46	Nov-22	Flat	£255,000	538	£474
48	Nov-22	Flat	£252,000	560	£450
12	Oct-22	Flat	£270,500	560	£483
29	Oct-22	Flat	£250,000	549	£455
2	Oct-22	Flat	£348,000	753	£462
2	Sep-22	Flat	£280,500	603	£465
28	Sep-22	Flat	£245,000	560	£438
59	Aug-22	Flat	£250,000	549	£455
57	Jul-22	Flat	£279,950	560	£500
27	Jul-22	Flat	£253,450	560	£453
5	Jul-22	Flat	£342,000	753	£454
38	Jun-22	Flat	£262,032	560	£468
32	Jun-22	Flat	£268,752	560	£480
55	May-22	Flat	£350,500	753	£465
54	Apr-22	Flat	£353,500	753	£469
14	Apr-22	Flat	£329,950	753	£438
11	Apr-22	Flat	£336,551	753	£447
			£240,200	619	£388

The Foundry, HP1 1BF					Map Ref: 5
Unit Number	Date sold	Residential Typology	Sold price	Floor area	£psf
54	Oct-22	Flat	£260,500	538	£484
106	Sep-22	Flat	£365,000	807	£452
102	Sep-22	Flat	£334,875	764	£438
94	Sep-22	Flat	£330,125	764	£432
86	Sep-22	Flat	£325,375	764	£426
56	Sep-22	Flat	£332,500	689	£483
84	Aug-22	Flat	£260,000	538	£483
52	Aug-22	Flat	£325,000	743	£438
71	Aug-22	Flat	£240,000	527	£455
104	Aug-22	Flat	£341,625	797	£429
98	Aug-22	Flat	£270,000	603	£448
64	Aug-22	Flat	£320,000	764	£419
58	Jul-22	Flat	£330,000	689	£479
96	Jul-22	Flat	£330,125	797	£414
80	Jul-22	Flat	£320,000	797	£402
66	Jul-22	Flat	£310,000	829	£374
13	Jul-22	Flat	£315,000	667	£472
72	Jun-22	Flat	£297,000	797	£373
24	Jun-22	Flat	£260,000	538	£483
83	Jun-22	Flat	£305,000	689	£443
25	May-22	Flat	£245,000	527	£465
18	May-22	Flat	£321,000	786	£409
70	Apr-22	Flat	£310,000	764	£406
60	Apr-22	Flat	£320,000	840	£381
75	Apr-22	Flat	£295,000	689	£428
100	Apr-22	Flat	£263,625	538	£490
93	Apr-22	Flat	£329,000	775	£425
69	Apr-22	Flat	£320,000	775	£413
76	Jun-22	Flat	£251,750	538	£468
			£240,200	619	£388

One of the notable trends that is consistent throughout these comparables is the relatively low overall values on a £psf basis. The highest values achieved are at The Exchange, which averages £462 psf across only three units, and the next highest at scale is Park View Rise at £401 psf. Given the relatively low values achieved across all these schemes, we would anticipate there being viability challenges associated with certain types of new build residential within the Study Area.

Estate Housing, which is generally low density and restricted to 2 – 3 storeys maximum, may be viable in this location due to the relatively low costs associated with construction of such homes. Flats, however, will likely be more challenged as the additional height and density of this type of property brings with it additional construction costs that – unless values are high enough – will typically outweigh the additional density of the saleable area.

This is of particular note given current construction market conditions, where costs are being pushed upwards by cost inflation on materials, and wages for construction workers are being pushed upwards by a shortage of skilled labour. When coupled with a shortage of buyers as a result of the aforementioned increases to mortgage rates, and the subsequent downward pressure on prices this causes, this will likely limit the speed with which residential within the Study Area is brought forward, in particular on those sites allocated within the Emerging Local Plan as being higher density – with heights maximised – as with Growth Areas HH17 and HH18. Whilst it may be possible to deliver a scheme that partially comprises higher density housing, this will likely be at the expense of the policy compliance of the scheme on viability grounds, meaning it will be less capable of delivering affordable housing or other planning requirements such as S106 to mitigate against the impact of the development on the area.

As highlighted above, the most recent development within the Study Area was at Zoffany Place, where the final sales completed in January 2022 but the majority of sales took place across 2021. This scheme averaged a higher value psf than all the schemes above (with the exception of the Exchange's two units) at £430 psf, although given the these units were selling across the house price growth peak for Dacorum (see figure 15 above), some of this is likely attributable to the wider market rather than just the location. This scheme was a second phase of the demolition and redevelopment of two office plots undertaken by Hightown Housing Association.

The scheme is a mix of houses and flats, and whilst this demonstrates there is demand for flats as well as houses in the location, it should be noted that – as well as being sold at the recent top of the market – the scheme would have been under construction during a period prior to inflated build costs, and with low interest rates, both of which will have helped to control expenditure and thus increase the likelihood of such a scheme being viable.

As such, whilst it will likely remain possible to deliver a residential led scheme within the Study Area, doing so whilst meeting all the policy expectations set out within the Local Plan and other relevant documents may prove to be a challenge, which could lead to either a compromise in those policy expectations being met, or alternatively a delay in the delivery of such schemes.

3.4. Supply

This section summarises the current and future supply of space for different categories of employment use within the Study Area in quantitative and qualitative terms.

Quantitative Assessment of Supply

Figure 17 below sets out the potential future supply of floorspace in the Study Area for different categories of commercial development. More detail on planning applications that contribute to the overall “planning pipeline” in the table below has been provided within the “Supply” sections of each of the different sectors throughout section 3.3 above.

All the data for Current Availability, Total Floorspace and space Under Construction has been sourced from CoStar data, and the planning pipeline has been obtained using the Borough Council planning portals for Dacorum and St Albans.

As the planning permissions for the industrial use – in some instances – do not include certain uses, the “planning pipeline” figure varies depending on whether or not a planning permission allows for a use. In practice, these uses are applied flexibly and will be determined by the end user of the space.

Allocations have been sourced from the Dacorum Local Plan Emerging Strategy (2020 – 2038) and St Albans Draft Local Plan.

Figure 17 – Quantitative Assessment of Supply Summary

	Office (sqft)	Industrial (sqft)	Storage & Distribution (sqft)	Light Industrial	Retail (sqft)	Hotel (in Total Rooms, not sqft)
Current Availability	126,989	100,086	1,412	23,053	0	N/A
Total Floorspace	1,237,363	6,650,097	2,674,870	386,186	26,726	108
Vacancy Rate	10.26%	1.51%	0.1%	6.0%	0.00%	N/A
Under Construction	0	0	0	0	0	0
Planning Pipeline	17,550	452,550	390,250	390,250	0	0
Allocations	532,000	258,000	258,000	258,000	0	0

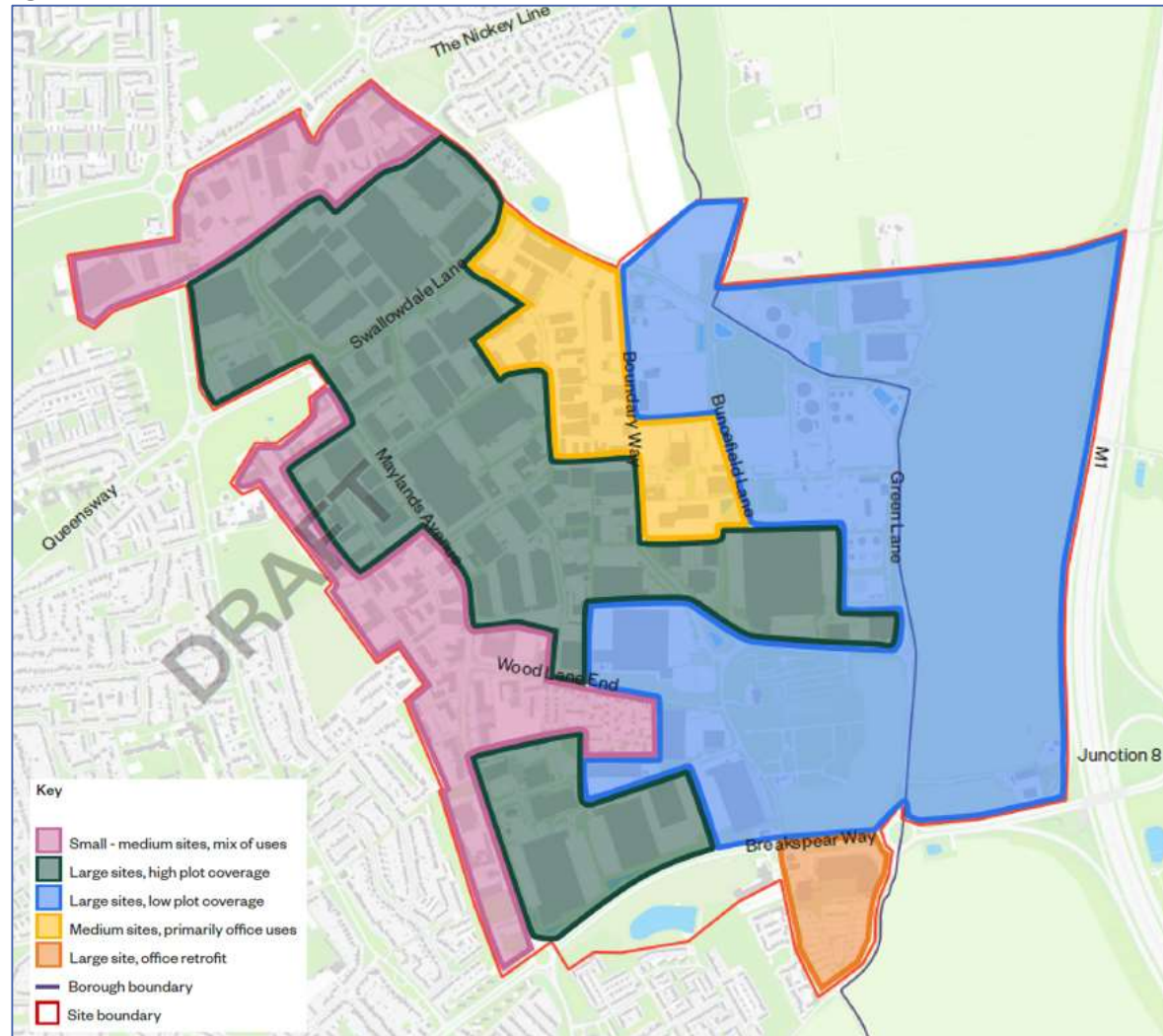
Qualitative Assessment of Supply

This Qualitative Assessment of Supply Subsection is a descriptive exercise with the goal of creating a commercial perspective of the quality of the existing stock within the Study Area. To do this, We Made That have developed a character area plan which is replicated in Figure 18 below; this plan has been developed to categorise the Study Area spatially, based on existing plot coverage, size and typology. The character areas are broken down as follows:

- Small to Medium Sites, Mix of Uses
- Large Sites, High Plot Coverage
- Large Sites, Low Plot Coverage
- Medium Sites, Predominantly Office Uses
- Large Sites, Office Retrofit (Outside the Study Area)

The C&W assessment will use these individual character areas as the basis of our assessment of the property in the Study Area, providing an “average” assessment of quality within each of those areas and highlighting individual buildings where appropriate.

Figure 18 – Character Area Plan



Character Area	Qualitative Assessment
Small to Medium Sites, Mix of Uses	<p>Very mixed area, the northern portion of figure 18 above is dominated by light industrial units that are predominantly relatively modern: Maylands Business Centre is one of the higher quality, modern units in this area, and also contains office space. The remainder of the area is relatively modern light industrial space that is unlikely to be at threat of obsolescence in the short or medium term. The exception is the westerly edge of this area, which houses Cupid Green Depot, Hunts Car Dismantlers and Household Waste Recycling Centre. These areas are predominantly either hard standing or older industrial uses associated with Waste Management, and the household waste site is too small to meet needs and the County Council is considering relocating it, whilst Dacorum Council may relocate the Cupid Green depot.</p> <p>The Southern portion of Figure 18 is significantly more varied in terms of uses, but generally of a lower quality. There are builders merchants, office buildings and light industrial uses, the majority of which (74 of 77) are rated by CoStar as 3 star or lower, meaning they suffer from relatively poor environmental performance, provision of services, and design. The majority of these buildings – across all use classes – were constructed in the 1980s – 1990s, and very few of them have been renovated extensively in the subsequent years. The principal exception for this however is the Peoplebuilding development, which is some of the only modern, grade A space in the Business Park – as it stands, one of the two buildings within this scheme is completely vacant, and the other is let in its entirety to a single occupier.</p>
Large Sites, High Plot Coverage	<p>This is a significant portion of the overall study area, and thus inevitably has a significant amount of variance in the building quality: there are eleven large buildings that have been completed since 2016, totalling c. 970,000 sqft. Prologis Park accounts for much of this space, and 310,000 sqft of this newer space is located outside of this development. These properties all have Costar ratings of 3 – 4 stars: all of the Prologis properties are rated 4 star.</p> <p>In addition to these newer buildings, the only other property with a 4-star or above rating is Hemel 465, which completed in 2000 and was formerly home to Amazon.</p> <p>A large proportion (c. 50%) of the stock in this area was built after 2000, and the area is predominantly – at a minimum – rated three stars by CoStar, with only Maylands Wood Estate, Greenshields JVB and ITAB House falling below this level: these buildings are some of the oldest stock in the area. All were constructed in the 1980s or before, and none have been refurbished extensively since.</p> <p>Alongside the prevailing uses of industrial and office, this area also contains several modern retail units, with an Aldi, and two restaurant type units let to McDonald's and Costa. The landscaping and quality in this location – coupled with the Peoplebuilding development described above – is relatively high, and the combination of modern, reasonably well-maintained buildings with improved landscaping relative to much of the older stock within the park is a positive for this particular location.</p>
Large Sites, Low Plot Coverage	<p>This area largely comprises future development sites on greenfield or brownfield land. Likely in part as a result of this lack of development within this character One of the main quality issues for this area is the road network, which is narrow, poorly maintained and lacks safe cycling or pedestrian infrastructure, as well as being challenging for larger vehicles to navigate safely.</p> <p>There are nine properties within this area, all but one of which have been built since 2000, and all of which have three or four star ratings from Costar. As such, a large proportion of these buildings will remain fit for purpose in at least the short and medium term and are thus unlikely to be redeveloped.</p> <p>However, there is one exception to this: the north western corner of the area comprises a number of lower quality light industrial buildings and hard standing that is – where in use – mostly used for storage.</p>

<p>Medium Sites, Predominantly Office Uses</p>	<p>Whilst the name suggests this location comprises predominantly office uses, our research indicates there are 15 office buildings in this area, comprising a total of c. 400,000 sqft, which is approximately 38% and 46% on a per unit and floor area basis respectively. The office space in this area is almost all detached “business park” type in design, and is mostly relatively dated, having been predominantly built between the 1980s and 1990s. The exceptions are the Zodiac Offices, which were built in the late 2000s but which rate poorly in terms of Costar quality at 2 stars, and One Medical House, which is a healthcare facility completed in 2016. Whilst much of this space is dated and of poor quality, it is generally reasonably well let.</p> <p>The remaining space is predominantly light industrial/ warehouse type space similar to that present in the first two character areas above. Much of it was built in the 1990s and 2000s and is generally fit for purpose if not high quality. The clear exception to this is the Murphy’s site, which was completed in 2020 and was built to spec by Murphy’s for their own occupation and specific needs.</p>
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4. CONCLUSIONS

This report has analysed potential drivers of demand for property types at Maylands, drawing on policy documents and supporting research as well as commercial property market data and agent opinion. To draw our findings together and inform the Vision and Immediate Opportunities Plan for Maylands, the table below identifies:

- Property type and Use Class
- Occupier Types by economic sector: This column summarises potential end users of each property sector by economic sector. It is important to note that this column does not distinguish between realistic short term occupiers and longer term aspirational occupiers.
- Demand: This has been split into:
 - Short term demand means that there is either current demand for the property sector, or could be demand for the sector within the next five years.
 - Medium term demand means the demand is likely to be seen in five to ten years and is likely to require interventions/investment in the area to deliver at scale.
 - Long term demand means the demand is unlikely to be seen for at a minimum ten years and is likely to require interventions/investment in the area to deliver at scale.
- Current supply and development pipeline summarise the total amount of space alongside the space currently available to let (aka vacant space) and the space currently under construction respectively.
- Planning Pipeline and Allocations summarise space that is currently at some stage of the planning process, or is an allocated site within the various Council planning documents summarised in Section 2.2 of this report.
- Fit with Planning Policy assesses the appropriateness of such a property type/ use within the context of planning policy.
- The Comments column seeks to summarise and highlight any points of note that are relevant to the property sector in question.

Combined, these columns should provide an overview of the supply, demand and future growth prospects of the individual property sectors being assessed, as well as identifying what type of space each of the occupier types could occupy. This seeks to demonstrate that a number of very different operations can be performed within an individual economic sector, and each of these will have a distinct property requirement.

Property Type	Use Class	Occupier Types (By Economic Sector)	Potential demand (Short, Medium, Long term)	Current Supply in sqft (vacant)	Development Pipeline in sqft	Planning Pipeline in sqft (Allocations)	Fit With Planning Policy	Comments
Office	E	Financial & Business Services, IT, Software & Computer Services, Life Sciences, Envirotech/ Green Technology, Agri-Tech, Film & TV, Healthcare.	Medium Term	1,237,363 (126,989)	0	17,550 (532,000)	Good fit with planning policy	Short term demand for office at scale is likely to be suppressed by the lack of quality space, and the difficulty in viably delivering such space. Our view is that this is unlikely to be deliverable without infrastructure, placemaking and transport investment. The SW Herts Economic Study ²⁴ aligns with this; stating it is unlikely there will be a need for new development in SW Herts in the next 5 – 10 years.
Distribution	B8	IT, Software & Computer Services, Life Sciences, Envirotech/ Green Technology, Agri-Tech, Third-party logistics, Film & TV, Retail.	Short Term	2,674,870 (1,412)	0	452,550 (258,000)	Variable fit – some sites are appropriate for B8, and others explicitly seek to restrict this use.	Majority of the short term demand generated by retailers/ Third Party Logistics Operators. Demand will include Last Mile providers seeking to access North West London, and longer term the increased population within nearby residential development linked to the garden town designation. Many of the identified target growth sectors will also require distribution/ storage type facilities – for example the life science sector will need such facilities as well as lab/R&D space.. Tight vacancy rates in the smaller (sub-10,000 sqft) space are potentially hindering growth of small, local businesses, with the majority of recent development focused on larger distribution units.

Industrial	B2	Life Sciences, Advanced	Medium Term	6,650,097	0	390,250	As with B8, a variable	Majority of the demand will be generated short term by “dirtier” industries, such as the engineering &
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²⁴ SW Herts Economic Study Draft (Hatch - 23 Aug 2023)

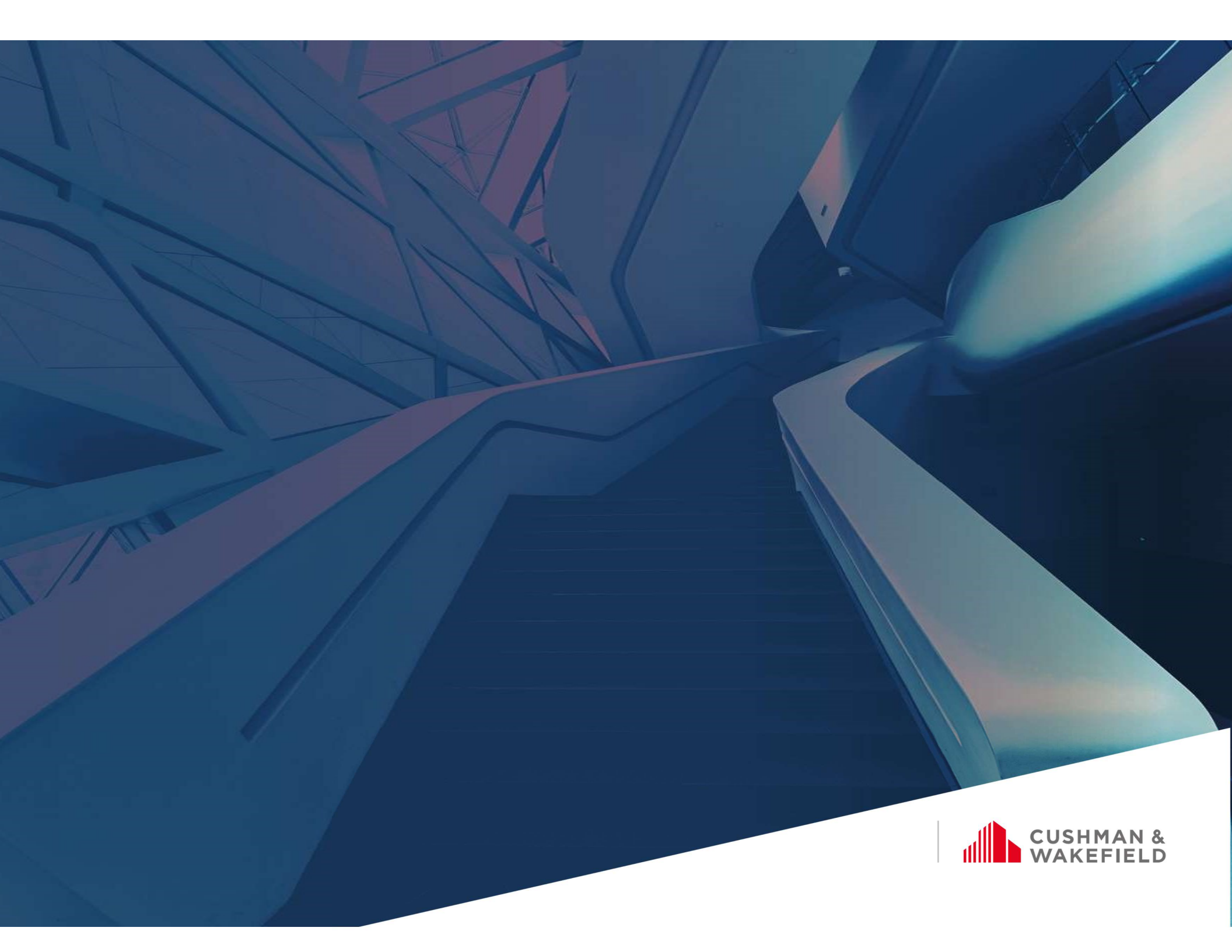
(Manufacturing)		Engineering & Manufacturing, Envirotech/ Green Technology, Agri-Tech, Smart Construction.		(100,086)		(258,000)	fit, but more likely to be acceptable in planning terms, particularly where the manufacturing is high-tech.	<p>manufacturing sector. There is however potential for manufacturing in other sectors in the future as sectors grow and the quality of Maylands increases.</p> <p>As with distribution:</p> <ul style="list-style-type: none"> • limited availability of smaller (sub-10,000 sqft) units is potentially hindering growth of small, local businesses • some of the sectors targeted by policy will also require manufacturing facilities and there is an opportunity for Maylands to capitalise on its close proximity to the strategic road network and site availability in this regard.
Light Industrial	B2/E	IT, Software & Computer Services, Life Sciences, Advanced Engineering & Manufacturing, Envirotech/ Green Technology, Agri-Tech, Film & TV.	Medium Term	386,186 (23,053)	0	390,250 (258,000)	Variable fit, permissible in some parts of the park.	Short term demand will be driven by conventional light industrial occupiers such as small manufacturing businesses.
R&D Space	E	Life Sciences, Advanced Engineering & Manufacturing, Envirotech/ Green Technology, Agri-Tech.	Long Term	82,476 (20,593)	0	0	Good fit with planning policy	<p>In effect a sub-class of office or light industrial space but with different fitouts bespoke to the occupier. This sector requires presence of research institutions (or similar) around which related businesses can cluster to be delivered at scale.</p> <p>The Draft SW Herts Economic Study (2023) identifies a particular opportunity for the Agri-tech sector, with Rothamsted specifically identifying an opportunity to potentially meet their outstanding need for laboratory, office and small scale manufacturing space at East Hemel in Maylands.</p>

Retail	E	Retail, Leisure.	Medium Term	26,726 0	0	50,000 ²⁵ (0)	<p>Broadly Acceptable in the park, subject to the type of retail and its relationship with the nearby uses and the town centre.</p> <p>Whilst certain types of retail such as local retail supporting the wider commercial uses are unlikely to be viable, there will likely be a small amount of interest from occupiers in appropriately sized and located space.</p> <p>There is a possible opportunity for out of town retail in certain locations within the park – namely those with visibility and access from the strategic road network.</p> <p>However, larger scale retail uses do not fit with current planning policy.</p>
Data Centres	B2/ Sui Gen- eris	Data Centre	Short Term	39.9 MW	Unknown Power Output, but will occupy 254,971 sqft at Prologis Park	0	<p>Similar to B8, however could be justifiable on some of the sites restricted to B8 on the basis of its capacity to create “high quality jobs”</p> <p>Short term demand will be subject to factors including plot size available for data centre use, and most importantly available power: the latter will require a minimum of 20 and a maximum of upwards of 250 MW of power. Availability of this power will effectively prove to be the dealbreaker regarding how quickly such a space can come on stream.</p>

²⁵ A portion of the industrial space within the planning application REF 22/03304/MFA can be flexibly applied as E(g) (ii) (the research and development of products or processes).

Maylands: SWOT Analysis – Commercial Factors

Strengths	Weaknesses	Opportunities	Threats
<p>Very good strategic location regarding distance from London, several airports, and in its positioning as part of the “golden triangle”</p> <p>Very good strategic road links to London and the rest of the UK.</p> <p>Large amount of available, developable land.</p> <p>EZ status at Herts IQ</p> <p>Strong public sector partner support for growth</p> <p>Major strengths as a logistics location</p> <p>A number of sites that could come forward for development in the short term</p>	<p>Distance from train station and relatively low accessibility by public transport in general.</p> <p>Poor quality of public realm and amenity provision .</p> <p>Multiple land ownerships with limited public sector control meaning land assembly and comprehensive redevelopment and estate management is challenging.</p> <p>No clear “anchor” from which to develop more technologically advanced industry base.</p> <p>Some roads are narrow/ poorly maintained, restricting access.</p> <p>Several large HQ Office buildings that are not fully occupied and not fit for purpose.</p> <p>Limited market interest from sectors away from industrial.</p>	<p>Hemel Garden Communities presents a major economic opportunity in terms of overall growth and scale of population, housing development, quality of place and infrastructure</p> <p>The wider Hertfordshire area houses a number of advanced industries such as life sciences that have been earmarked for growth, and this is one of the only sites capable of accommodating such growth within the County.</p> <p>Hertfordshire has a highly educated population relative to the UK as a whole, and this site has the potential to tap into that.</p> <p>One of the uses earmarked for growth – Life Sciences – has a nascent base in Medical Technology and manufacturing that could be built upon.</p> <p>Several large office buildings within the park that could be repurposed for alternate uses.</p>	<p>Continued overall UK sluggish economic performance</p> <p>Build cost inflation and increasing interest rates make deliverability of development significantly more difficult. This will particularly impact upon development targeting sectors that are less well-established as these are unlikely to generate as much income as, for example, distribution.</p> <p>Whilst the Hertfordshire County area is home to a number of innovative industries, speculative development to encourage any of these to expand to Maylands will be a significant risk as few are currently established at scale in the study area.</p> <p>Not delivering the Junction 8 works is likely to be a significant barrier to development of some of the prime sites in the Study Area, and so delays have the potential to delay/put development at risk.</p> <p>Competitor sites across South East England targeting similar types of investment</p>



We
Made
That

Baseline Appraisal
Rev B
07.06.2024

Maylands Masterplan Plus

Working with



KMC



Contents

– Strategic Context

- Policy Context - Wider Context
- Policy Context - Site Allocations
- Policy Context - Local Plan Summaries

– Site Context

- Study Area
- Site Observations - General
- Site Observations - Public Realm
- Site Observations - Heart of Maylands
- Policy Context - Site Allocations and Consents
- Heritage Context - Heritage and Archaeology
- Environmental Context - HSE Consultation Zones
- Environmental Context - Noise
- Typology - Building Footprint
- Typology - Building Use
- Typology - Typical Building Typologies and Examples
- Plot Coverage
- Existing Places
- Refined Existing Places

– SWOT and Key Findings

01

Strategic Context

– Policy Context

01. Strategic Context

Policy Context

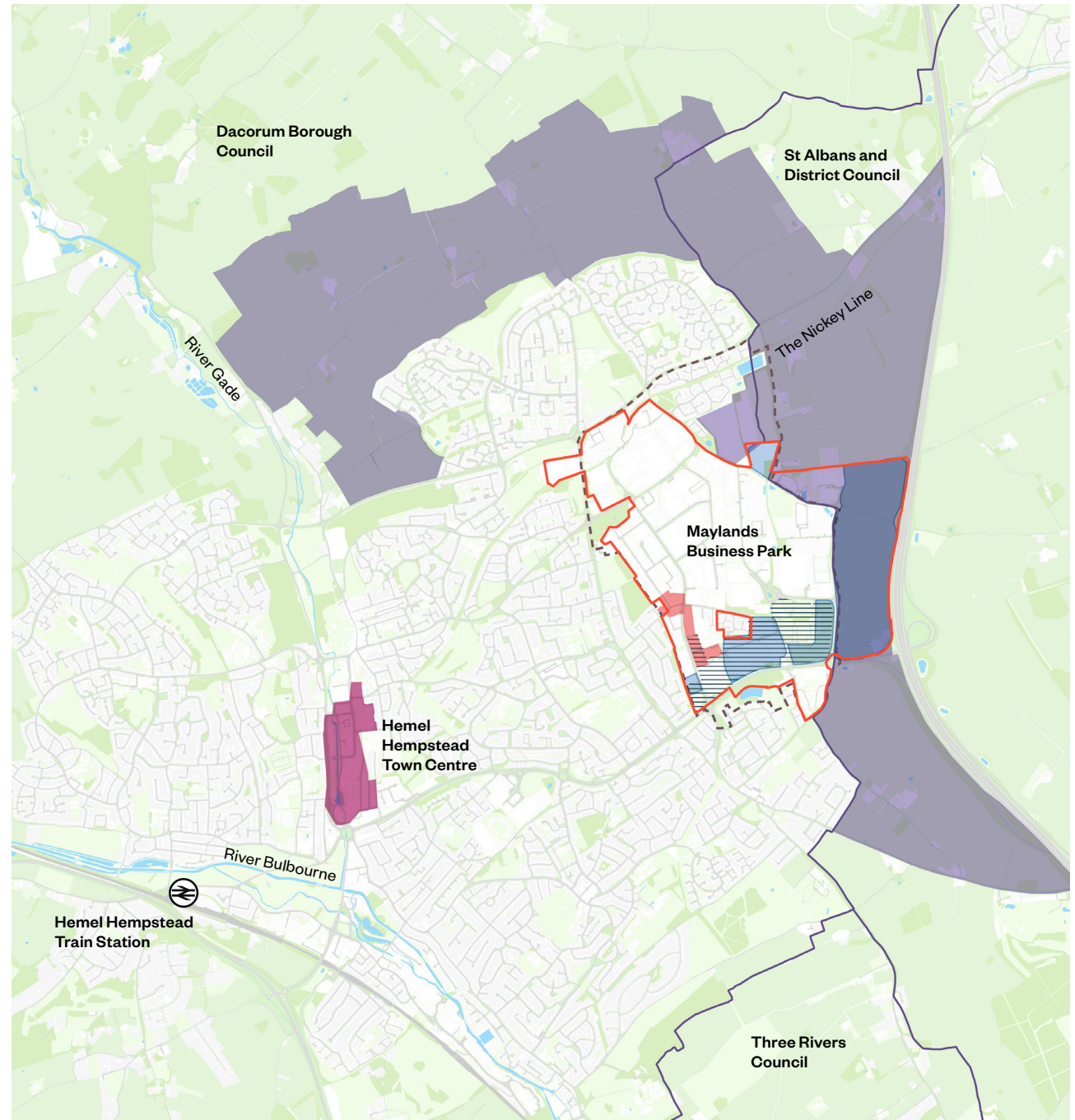
Wider Context

Maylands Business Park is located to the eastern edge of Hemel Hempstead. The majority of the site is within the district of Dacorum, with the eastern edge of the site within the district of St Albans. The western edge of the site is approximately 2km from Hemel Hempstead town centre. The study area is surrounded by existing low-density housing to the north, south and west with significant new housing supply planned as part of the Hemel Garden Communities project.

Maylands is a key local employment centre, but is also a significant employment area for the wider Hertfordshire region. The study area includes the Heart of Maylands, a mixed use local centre, and four sites identified by Herts IQ as the Maylands Enterprise Zone.

Key

- Town centre (Dacorum Draft Local Plan Emerging Growth Strategy)
- Hemel Garden Communities Indicative Concept Plan
- Herts IQ sites
- Local centre / Heart of Maylands
- Maylands Gateway Development Brief (2010/2013)
- Borough boundary lines
- Maylands Masterplan 2007 boundary
- Site boundary



01. Strategic Context

Policy Context






Hemel Site Allocations

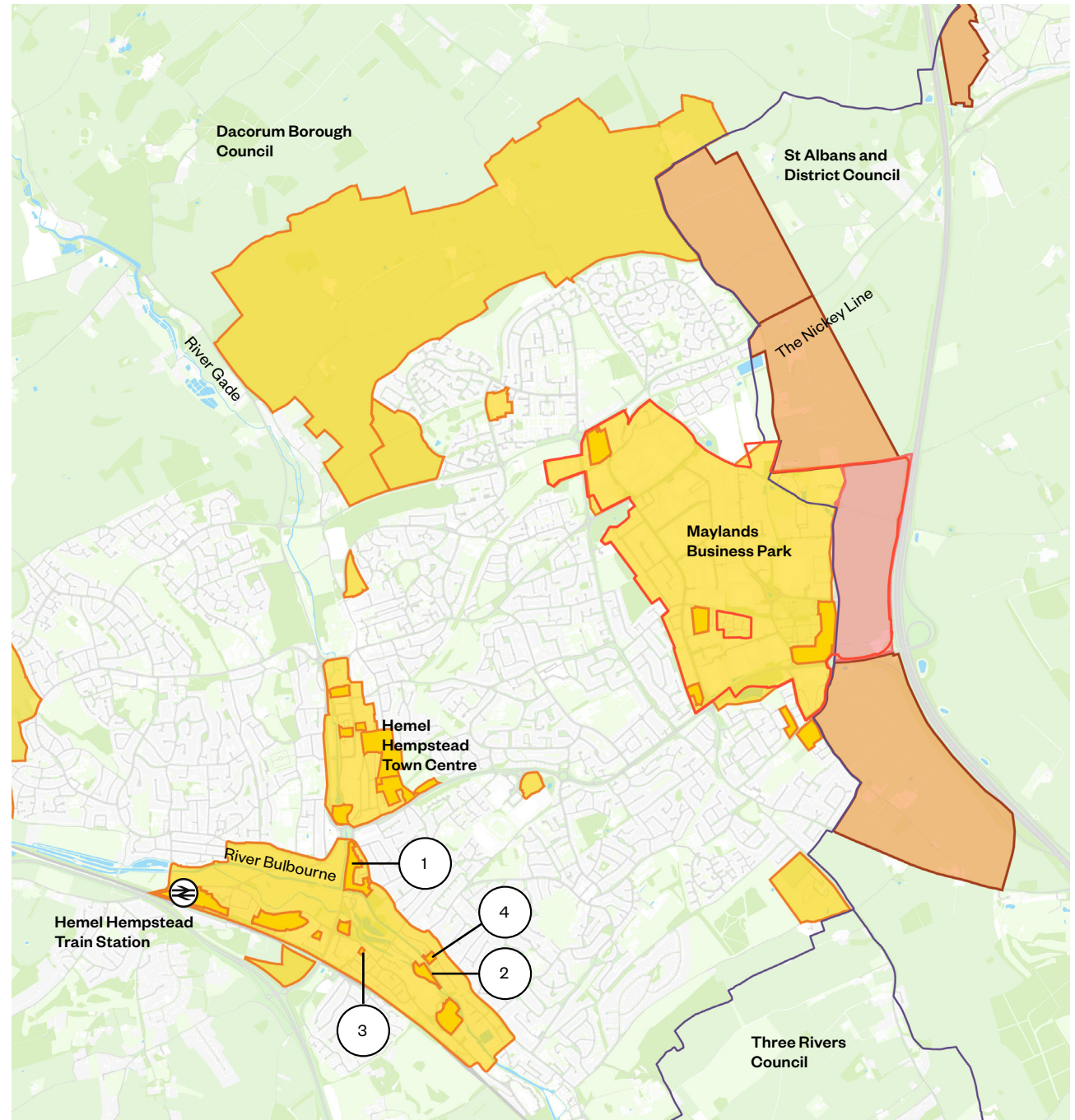
Dacorum's Emerging Strategy for Growth sets out site allocations for future development. Several of these allocations propose redevelopment of existing employment land for predominantly residential uses, including:

1. HH11 - Two Waters North. 2.8 Ha. Existing employment uses include builders merchants and car dealerships.
2. HH13 - Frogmore Road. 1.17 Ha. Existing employment uses include light industrial and offices
3. HH14 - 233 London Road. 0.1 ha. Existing employment uses include light industrial.
4. HH15 - Ebberns Road. 0.38 Ha. Existing employment uses include light industrial.

The total employment land lost through these sites will be 4.45 Ha.

Key

-  Dacorum Emerging Strategy for Growth Site Allocations (Local Plan 2020-2038)
-  St Albans Draft Local Plan 2041 - LG4 Site Allocations in Green Belt
-  St Albans Draft Local Plan 2041 - EMP4 Herts IQ East Hemel Hempstead Site
-  Borough boundary lines
-  Site boundary



Policy Context

Dacorum Local Plan 2020-2038 Strategy for Growth Plan Context and Challenges

The following pages set out key policy in relation to Mayland's Business Park as set out in the Dacorum Strategy for Growth (Local Plan) 2020-2038.

2. 6 Whilst the future poses a number of significant economic challenges we have big ambitions for our local economy driven by the continuing success of the Maylands Business Park as **a key local and sub-regionally important employment centre**.

2.6 Great progress has been made on regeneration, inward investment and expansion, including the creation of **the Heart of Maylands (a new local centre to support the role of the business area)**, the completion of environmental works, and the broadening of the area's commercial uses.

2.7 **Continued diversification** of the Maylands Business Park is key part of strategy. Aided by the creation of the Herts Innovation Quarter, a designated Enterprise Zone.

2.7 Dacorum needs to plan for a **significant increase in employment floorspace** over the Plan period.

2.7 **Eastward expansion** of is proposed to meet the needs arising for new employment space. Expansion will **primarily be into St Albans**. This will meet a significant portion of Dacorum's needs as well as contributing to meeting the needs from St Albans

Policy Context

Dacorum Local Plan 2020-2038 Strategy for Growth Housing Strategy and Employment Strategy

2.8 Further investment is needed to resolve congestion and employees, visitors and HGV parking problems, including the delivery of a **multi-modal transport interchange**.

2.9 Existing employment areas, including delivering **space for start-up businesses and established SME must be safeguarded**

SP4. d. - **Housing Strategy.** New homes will be delivered through: Bringing forward regeneration opportunities in Hemel Hempstead in and around the Town Centre, Two Waters and the **Maylands Growth Areas**

8.20 We envisage that **the East Hemel Hempstead site** will accommodate around **84,000 sqm of our unmet office floorspace need and 80,000 sqm of our unmet need for industrial space.**

8.6 Employment Strategy. An important element of the LEP's strategy is the Hertfordshire Innovation Quarter Enterprise Zone (Herts IQ). Its aim is to **attract a wide range of high value sectors linked to environmental technologies**, such as off-site construction, 'agritech' and digital industries. The multi-site Enterprise Zone includes part of Maylands Business Park and the proposed 55 hectare East Hemel Hempstead employment site in St Albans City and District.

Policy Context

St Albans Reg. 18 Local Plan

Policy LG2

Provision will be made for employment within an **expanded Maylands Business Park, with the Hertfordshire Innovation Quarter** leading the way for new employment opportunities and the creation of **8,000 jobs**. Further job creation, of around 2,000 jobs, will be enabled through the growth of Hemel Hempstead including in the education, retail, health and leisure sectors.

Policy LG3

Proposals must have Masterplans and Design Codes agreed with the Council before developing detailed designs. The approach taken in Masterplans and Design Codes should be in accordance with the District's Strategic Sites Design Guidance. Development must adhere to the following principles: 1. Green Network; 2. Integrated Neighbourhoods; 3. Self-sustaining economy; and 4. Engaged Communities.

H3 - East Hemel

Hempstead (central) is identified as a site in the Local Plan Appendix 1 for Employment-led mixed-use development.

The site is to the east of Hemel Hempstead, between Punchbowl Lane to the north, the M1 to the east and the A414 to the south. The site is adjacent to Hemel Hempstead, a Tier 1 settlement, and forms part of the wider Hemel Garden Communities programme.

Policy Context

St Albans Reg. 18 Local Plan

East Hemel Hempstead (Central) Broad Location will be developed in accordance with Policy LG2 and LG3 to provide a major urban extension of Hemel Hempstead that provides a major new **Enviro-Tech focused employment location**, including enhanced transport infrastructure for new and existing employment and residential areas. The development will be required to deliver:

Green Network

1. **Access and improvement to the Nickey Line and delivery of the HGC Green-Loop and improved connections to the Green Loop running through the site.**
2. Enhancements and improvements to the existing Hogg End Lane, Three Cherry Trees Lane and Punchbowl Lane.
3. **Appropriate design and buffer zones to mitigate adverse impacts from motorway noise and air pollution and address the Buncefield oil depot and pipelines (BPA).**

Self-sustaining economy

1. **Provision of wider ancillary uses along central spine route through the development that complements the existing development at the heart of Maylands.**
2. Use of the exceptional environmental opportunities provided by this scale of employment development for large scale solar power generation; including on all rooftops and as appropriate on car parking, lorry parking etc.
3. **Full exploration of possibilities for an offsite construction facility (primarily for modular housing) within the logistics and mixed industrial area.**

Policy Context

St Albans Reg. 18 Local Plan

Integrated neighbourhoods

1. A 55 Hectare extension to Maylands Business Park, to the north of Breakspear Way and south of Punchbowl Lane, in accordance with the aims and status of the Hertfordshire Enviro-Tech Enterprise Zone (Hertfordshire Innovation Quarter) to deliver integrated Enviro-Tech Businesses, environmentally friendly buildings and complementary uses.
2. A mix of employment uses linked to the Council's recent evidence base, and vision for Herts IQ to enable, in the order of, 8,000 jobs. The jobs growth will support a diverse economy for Hemel Hempstead and South West Hertfordshire.
3. Employment uses including high-quality offices, research and development, light industrial and logistics. Ancillary uses will be supported where they meet the needs of businesses. An over- concentration of low employment generating logistics uses will not be permitted.
4. The first phase of employment development will provide an innovation hub prioritising space for start-up units in high quality buildings and grow on

space for small businesses.

5. The southern approximately 17 Hectares of the site will promote high density employment uses to deliver a Business, Research and Development Park.
6. The remaining approximately 38 Hectares to the north of the site will promote uses such as logistics and mixed industrial areas.
7. All large format logistics buildings will need to use a graduated colour scheme to reduce their visual impact.
8. Development to be in accordance with the Strategic Sites Employment Uses Design Toolkit.
9. Provision of 15-20 pitches for Gypsy and Travellers to meet identified need, taking into account existing local provision and the availability of alternative sites as well as best practice on location and design.
10. Land will be safeguarded for provision of active travel and cycle bridge across the A414 and access improvement associated with Junction 8 of the M1 motorway. Land to the east of Junction 8 is safeguarded, in case it is required to come forward for junction improvements.
11. Integrated mobility hub with facilities to encourage and facilitate modes of transport other than the private car; this will connect the site to key destinations and the Maylands Business Park.

12. Development and design that connects the site to the neighbourhoods to the south and north

Engaged Communities

1. Design of development that encourages natural surveillance onto key routes throughout the site.
2. Opportunities for skills sharing and training to support new businesses and business sectors.
3. Early activation projects to enable start-up businesses to come forward.
4. The site lies within the Chilterns Beechwoods Special Area of Conservation (CBSAC) Zone of Influence (ZOI). Appropriate contributions must be made towards the Strategic Access Management and Monitoring Strategy (SAMMS). Development proposals will also need to make provision for a new Suitable Alternative Natural Greenspace (SANG), or alternatively contribute towards the maintenance of a suitable SANG project elsewhere.

Site Context

- Study Area
- Site Allocations and Consents
- Heritage Context
- Environmental Context
- Typology
- Urban Form
- Existing Places
- Emerging Places

02. Site Context

Study Area

Maylands is a mixed-use business park which is currently home to around 650 businesses providing employment for an estimated 20,000 people.

The study area is bordered by Redbourn Road to the north, Green Lane to the south, Maylands Wood to the west and the M1 to the east.

The majority of the site is used employment uses including offices, warehousing, distribution and storage. The Buncefield oil terminal is also located to the east of the Park. The Heart of Maylands area is earmarked for residential-led mixed use development and forms a local centre within the site.

The Nickey Line runs east-west to the north of the site as a key active travel corridor. The main vehicular routes through the site are Swallowdale Lane and Breakspear Way, with Maylands Avenue an important secondary route.

There is protected open land both within and adjacent to the study area.

Key

- Borough boundary
- Heart of Maylands Boundary
- Open Land
- Site boundary



02. Site Context



Ariel view



Ariel view of local centre



Example of environs



Ariel view of Maxted Road and Boundary Way



Example of environs



Example of office buildings

02. Site Context - Public Realm: Greening, Surfaces and Wayfinding



Poorly maintained and designed public realm around large plots and units does not create a high quality employment environment



Narrow pavements limited pedestrian accessibility



Although green, pedestrian and cycle routes are often poorly maintained and lack a relationship with the built form



Not all routes have sufficient surfaces and pavements are occasionally missing or not fit for use



Within smaller scale industrial areas, there is a lack of greening and biodiversity. The area as a whole lacks identity.



Wayfinding is extremely limited, the Nickey Line is well signposted at times, but other routes and significant areas, for example the Heart of Maylands local centre are not.

02. Site Context - Public Realm: Heart of Maylands



The approach to Mayland's local centre, the Heart of Maylands, is dominated by vehicle traffic.



The public realm is poor and pavements are of low quality. Planting does not relate to the public realm and more likely serves as a barrier



Public realm within the Heart of Maylands is of poor quality and lacks active travel infrastructure.



Wayfinding within the Heart of Maylands is poor and does not provide a civic character or identity



The public realm and wayfinding surrounding the mixed-use buildings does not create a civic character, the Heart retains the branding of a series of disparate commercial estates, rather than a local centre



Poor relationship to the street formed by The Maylands Building

02. Site Context


Policy Context Site Allocations and Consents

 Dacorum Emerging Strategy for Growth Site Allocations (Local Plan 2020-2038)


1. Maylands Opportunity Area - Existing/new Business Development
2. HH17 Cupid Green Depot - 360 dwellings and open public space
3. HH18 Kier Park - 234 dwellings; 1400m2 offices; public open space
4. HH26 South of Green lane - 80 dwellings and public open space


 St Albans Draft Local Plan 2041 - Site Allocations


5. H2 East Hemel Hempstead North - 1600 dwellings
6. H3 East Hemel Hempstead central - Employment led mixed use
7. H4 East Hemel Hempstead South - 2400 dwellings

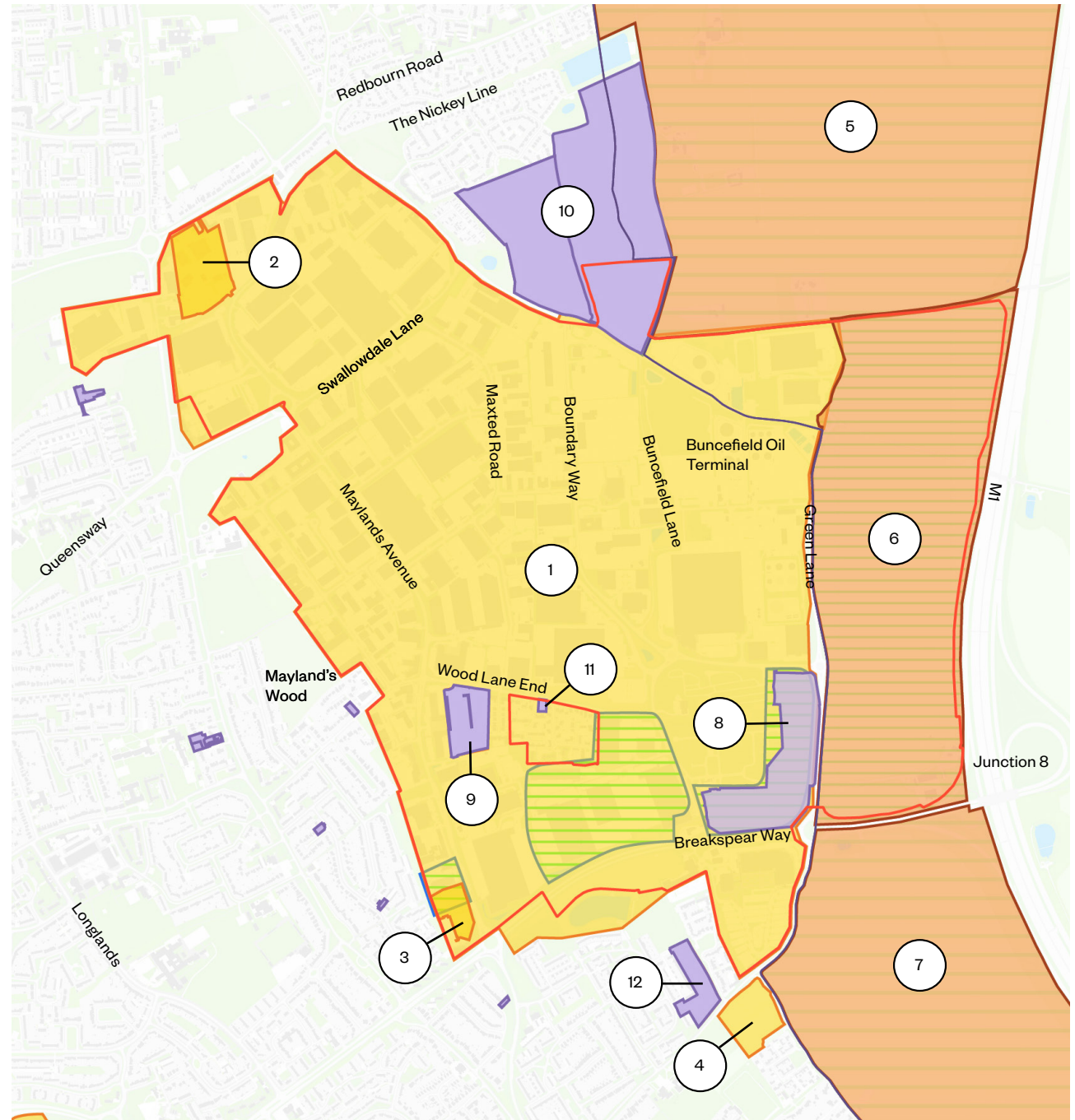
 Planning consents - Dacorum

8. HH20 Breakspear Way - 48,000m2 offices, 24,000m2 industrial floorspace
9. 66-72 Wood Lane - 158 dwellings and 3 commercial units with 167 car parking spaces
10. Spencers Park Phase 2 - Outline planning consent for 600 dwellings, primary school, 7500m2 employment uses and open space etc.
11. 96 Woodlane - demolition of existing dwelling and construction of 4 dwellings.
12. St Margarets Way - 46 dwellings

 Herts IQ Site

 Borough boundary lines

 Site boundary

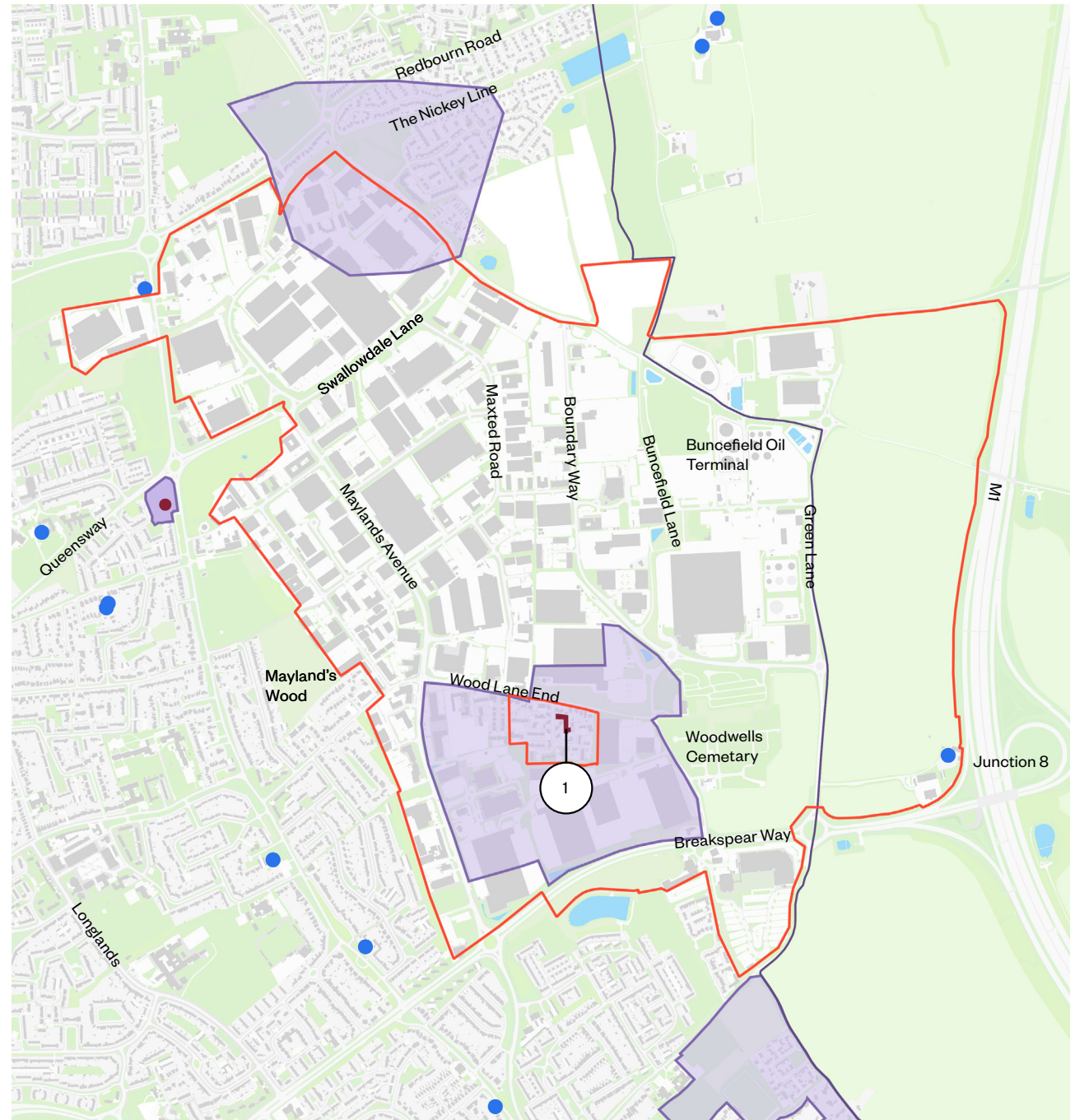
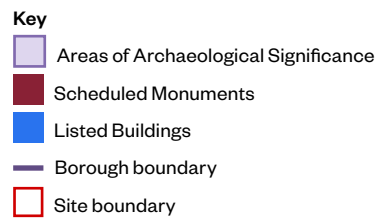


Heritage Context

Heritage and Archaeology

There are two Areas of Archaeological Significance within the site boundary.

There is one Scheduled Monument, a Romano-Celtic temple complex at Wood Lane End (1).



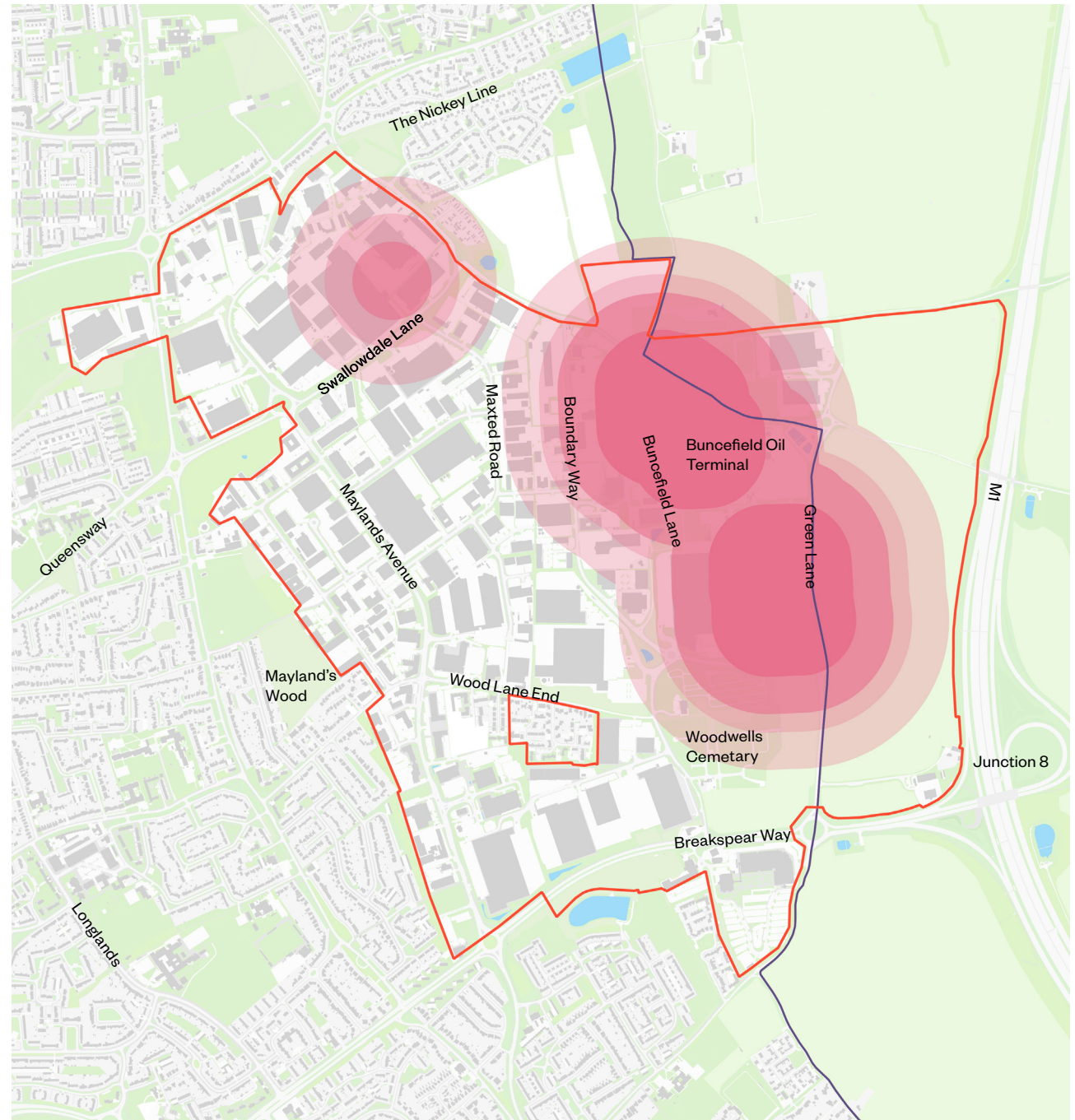
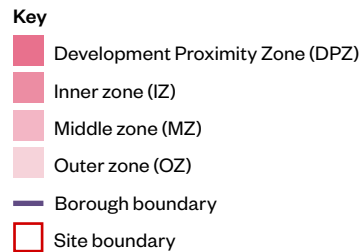
02. Site Context

Environmental Context HSE Consultation Distances

Following the Buncefield Fire, a catastrophic series of explosions which took place at the Buncefield Oil terminal in 2005, a series of HSE Consultation Distance were implemented at Maylands. These comprise four zones which set out boundaries for the type of guidance HSE will provide to planning authorities based on the type of development proposed.

The table on the following page summarises this guidance.

Within the DPZ, only development which is not usually occupied will be permitted. Within the Inner Zone, the majority of employment uses are permitted, but housing is not permitted.



Environmental Context

HSE Consultation

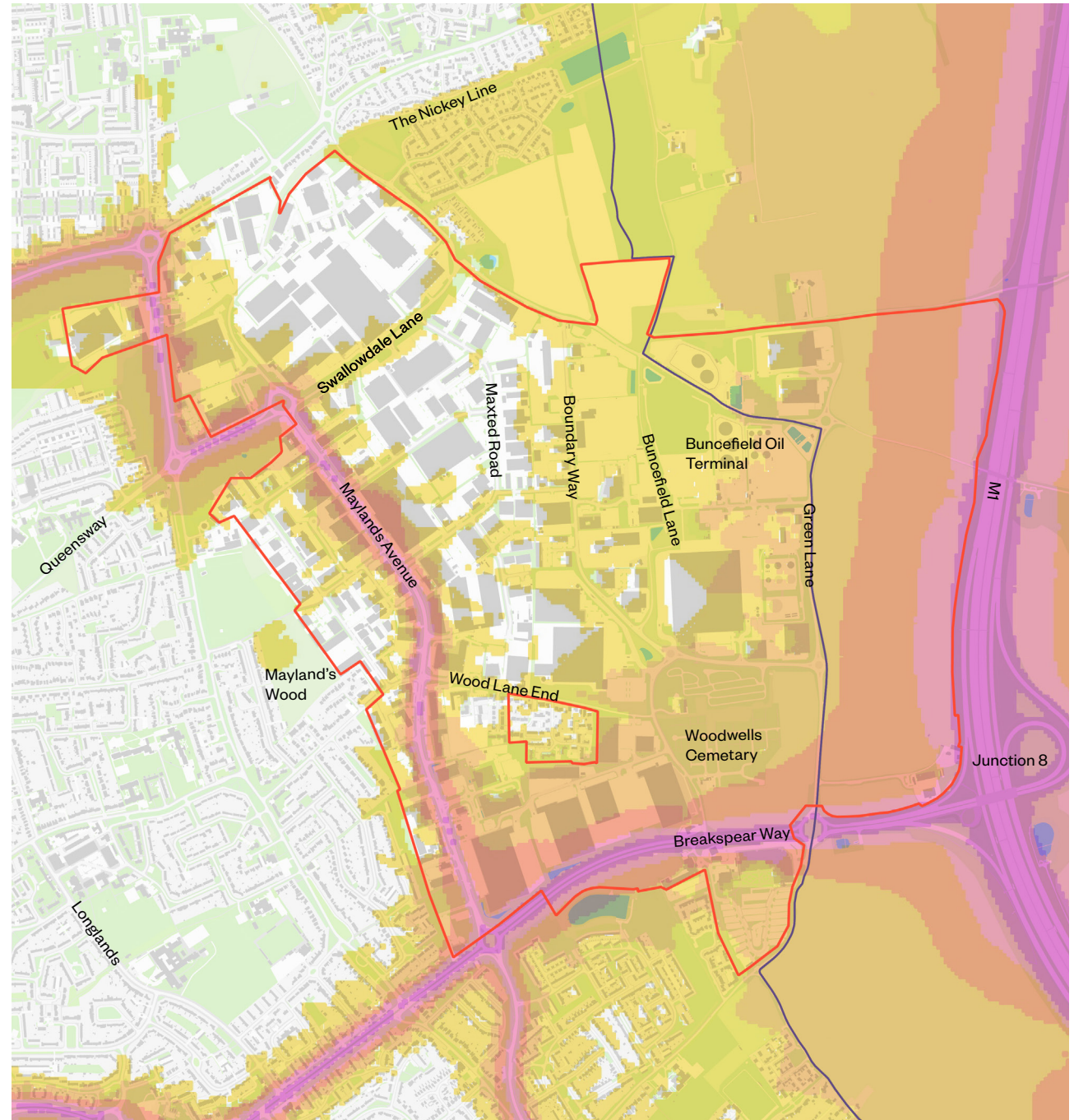
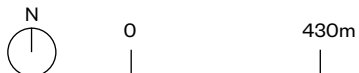
Exclusion Zone	Sensitivity Levels Permitted	Type of Development Permitted	Examples
DPZ	SL0	Not normally occupied	Parking > 500 cars, storage facilities (Includes outdoor storage, farm buildings. Not to be used by public), minor transport links.
IZ	As above plus SL1	As above, plus People at work, Parking. (based on normal working population)	Offices, factories, warehouses, haulage depots, farm buildings, non-retail markets, builder's yards, self-storage units. Workplaces (predominantly nonretail), providing for less than 100 occupants in each building and less than 3 occupied storeys. Members of the public will not be present or will be present in very small numbers and for a short time. Car parks, truck parks, lock-up garages.
MZ	As above plus SL2	As above, plus Developments for use by general public (based on the general public - at home and involved in normal activities)	Houses, flats, retirement flats / bungalows, residential caravans, mobile homes. Developments up to and including 30 dwelling units and at a density of no more than 40 per hectare. Hotel / Hostel / Holiday Accommodation. Accommodation up to 100 beds or 33 caravan / tent pitches. Indoor Use by Public. Developments for use by the general public where total floor space (of all floors) is from 250 m2 up to 5000 m2. Outdoor Use by Public
OZ	As above plus SL3	As above, plus Developments for use by vulnerable people (Based on vulnerable members of the public (children, those with mobility difficulties or those unable to recognise physical danger))	Institutional Accommodation and Education. Hospitals, convalescent homes, nursing homes. Old people's homes with warden on site or 'on call', sheltered housing. Nurseries, crèches. Schools and academies for children up to school leaving age . Prisons. Prisons, remand centres
No Categorisation	As above plus SL4	As above, plus Very large and sensitive developments	Institutional Accommodation (large hospitals etc). Theme parks, large sports stadia and events, open air markets, outdoor concerts, and pop festivals

Environmental Context Noise

The study area is within close proximity to the M1 which is a source of considerably noise within the site. Breakspear way and Maylands Avenue also contribute significant levels of noise within the study area.

Key

- 75+ dB
- 70-74.9 dB
- 65-69.9dB
- 60-64.9dB
- 55-59.9 dB
- Borough boundary
- Site boundary



02. Site Context

Typology

Building Footprint

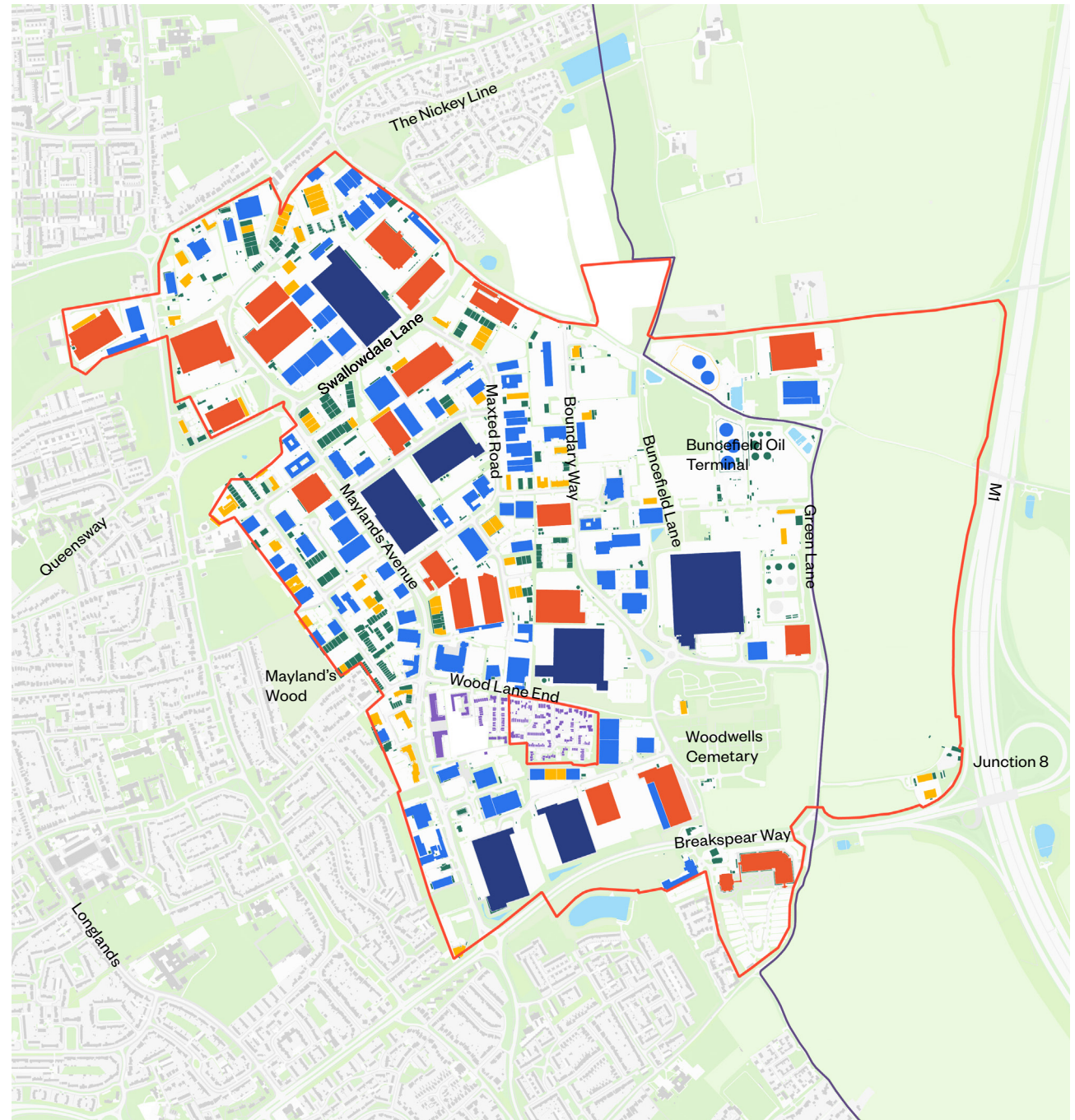
The existing building stock at Maylands Business Park varies significantly.

Ranging from small workshops and industrial units with areas of under 100m², to very large warehouse and distribution centres, with footprints up to almost 43,000m².

Although the scale of building footprint varies throughout the site, there are some clear trends, with smaller units located primarily to the western and northern edges of the site. Medium size units are primarily located along Maylands Avenue, Maxted Road and Boundary Way, with large and Very Large units dispersed fairly evenly throughout the site, but in particular to the south and east.

Key

- Very Large Units. 15000-43000m²
- Large Units. 5000-15000m²
- Medium Units. 1000-5000m²
- Small Units. 500-1000m²
- Micro Units 10-500m²
- Residential/ Residential-led mixed use
- Borough boundary
- Site boundary



02. Site Context

Typology Building Use

Warehousing / Logistics

- Very Large Warehouse / Logistics 15000-43000m²
- Large Warehouse / Logistics 5000-15000m²
- Medium Warehouse / Logistics 1000-5000m²
- Small Warehouse / Logistics 500-1000m²

Offices

- Large Offices 5000-15000m²
- Medium Offices 1000-5000m²
- Small Offices 500-1000m²
- Micro Offices <500m²

Industrial / Manufacturing

- Large Industrial/Manufacturing 5000-15000m²
- Medium Industrial/Manufacturing 1000-5000m²
- Small Industrial/Manufacturing 500-1000m²
- Micro Industrial/Manufacturing <500m²

Data Centres

- Large Data Centre 5000-15000m²
- Medium Data Centre 1000-5000m²

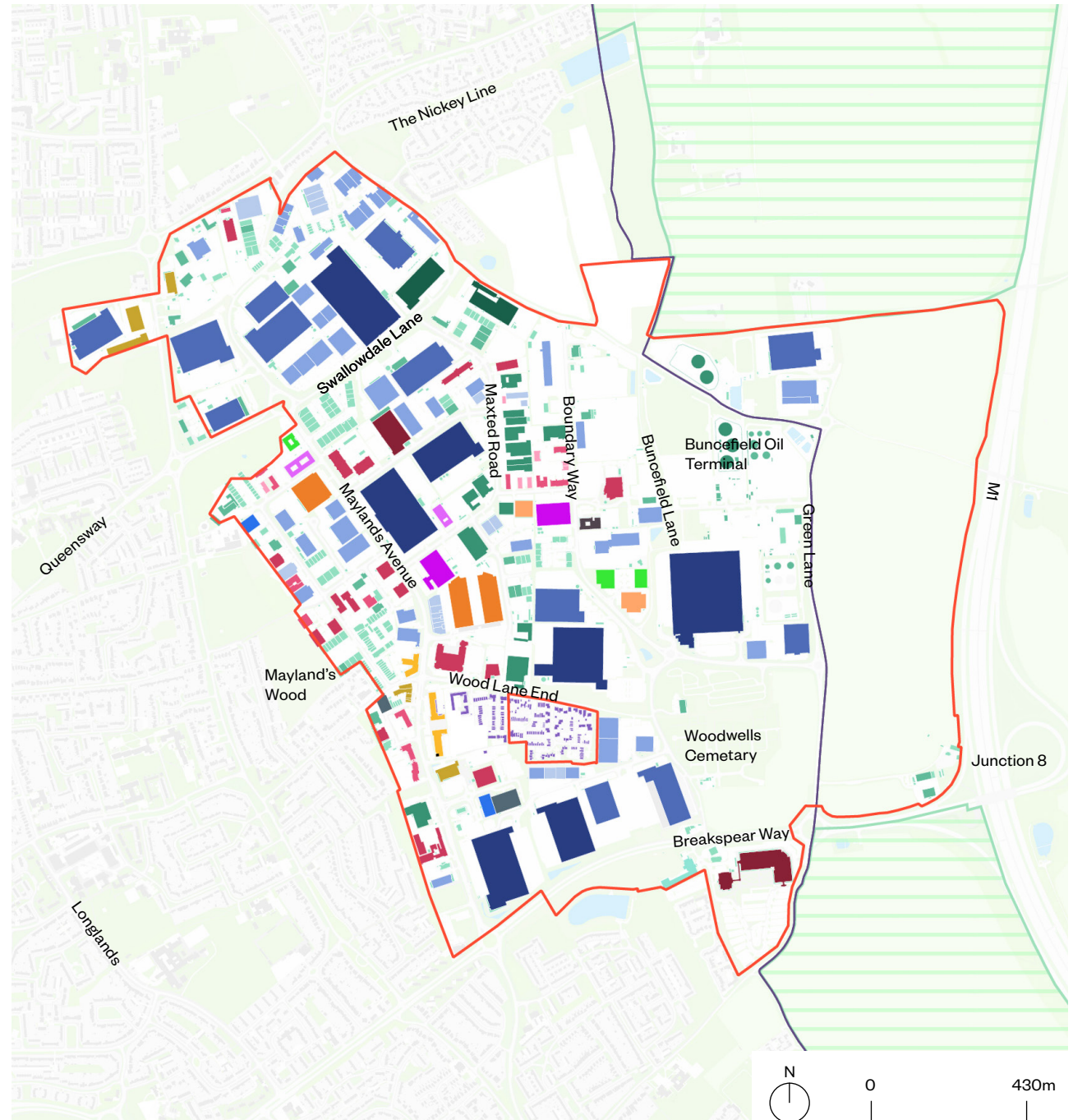
Advanced Manufacturing

- Large Advanced Manufacturing 5000-15000m²
- Medium Advanced Manufacturing 1000-5000m²

Other

- Envirotech
- Leisure
- Car Parking
- Healthcare
- Church
- Retail
- Mixed Use Residential
- Residential/ Residential-led mixed use
- Borough boundary

We Made That



Maylands Masterplan

Baseline Appraisal

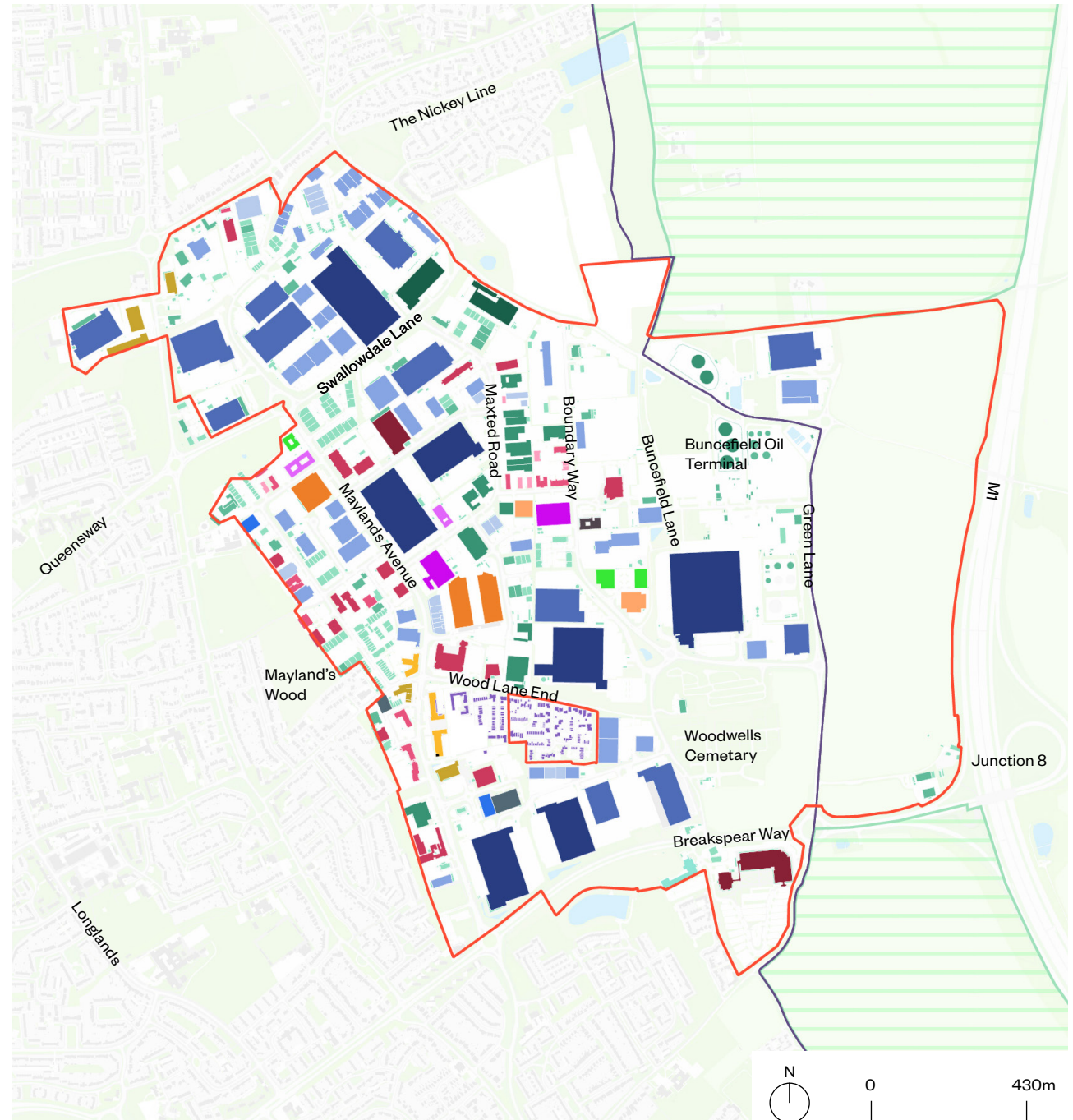
Typology

Building Use

Building use varies throughout the site, however, there is a strong trend towards warehousing and logistics at all scales of building size.

Other sectors including offices and industrial/manufacturing utilise buildings at all scales aside from very large units.

There are several uses present which relate to the Herts IQ objectives, including several envirotech companies, a number of data centres and several companies undertaking advanced manufacturing. These sectors tend to utilise large and medium units, although a fine grain analysis of all the uses within smaller units was not undertaken, so these sectors may also be present within small and micro units which are presently listed as Industrial/Manufacturing.



Typical Building Typologies Offices

This typology covers conventional office space provision and relates predominantly to desk-based activities. Office typologies vary greatly in size, and the difference in use is generally one of scale rather than activity.

Large offices range from large, corporate organisations using entire buildings or floorplates to sole traders operating in flexible co-working spaces.

Typical office uses include:

- Professional & business services
- Corporate businesses, possibly operating internationally.

	Large office	Medium Office	Small Office	Micro Office
Dimensions	<p>5000 - 15000m2</p> <p>General rule: 50-250 employees = 5,000m2</p> <p>2.9 -4.4m ceiling height</p>	<p>1000m2 - 5000m2</p> <p>General rule: 50-250 employees = 5,000m2 (53,820sq. ft)</p> <p>2.9 -4.4m ceiling height</p>	<p>500m2 - 1000m2</p> <p>General rule: 50 employees = up to 1000m2</p> <p>2.9 -4.4m ceiling height</p>	<p><500m2</p> <p>General rule: less than 10 employees use up to 200m2 (2,153sq.ft)</p> <p>2.9 -4.4m ceiling height</p>
Access and Servicing	<p>Staffing / client access only (no large entrance requirements).</p> <p>Benefits from access to key local and regional transport routes to facilitate regional customer access.</p>	<p>Staffing / client access only (no large entrance requirements).</p> <p>Benefits from access to key local and regional transport routes to facilitate regional customer access.</p>	<p>Staffing / client access only (no large entrance requirements).</p> <p>Benefits from access to key local and regional transport routes to facilitate regional customer access.</p>	<p>Staffing / client access only (no large entrance requirements).</p> <p>Some need to access to key local transport routes, but not crucial to link to larger regional routes.</p>

Typical Building Typologies

Offices - Maylands Examples

Large Office Building



Breakspear Park

Use:
Former BP Offices

Footprint:
10209m²

Medium Office Building



Hemel One

Use:
Vacant

Footprint:
2665m²

Small Office Building



Maylands Avenue

Use:
Hightown Housing
Association

Footprint:
993m²

Micro Office Building



Boundary Way

Use:
Various

Footprint:
378m²

Typical Building Typologies

Industrial / Manufacturing

This typology varies in scale greatly. Typical small scale industrial uses include:

- Small scale making and light manufacturing
- Secondary/ tertiary industry such as printing, textiles etc
- Small to medium food & drink manufacturing
- 'Industrial crafts' and small scale manufacturing
- Open access specialist fabrication

Medium-large scale industrial units are characterised by large floorplates and ceiling heights, although these may be sub-divided. Uses are typically noisy and require high levels of large vehicle servicing for deliveries and sales. Combinations of other typologies can also be expected, for example small office-type space in addition to 'shop floors'.

Specific uses may necessitate particular servicing requirements such as mechanical extraction.

Typical medium-large scale industrial uses include:

- Large scale making and heavier manufacturing
- Secondary/ tertiary industry such as printing, textiles etc
- Medium to large food & drink manufacturing

	Large Industrial	Medium Industrial	Small Industrial	Micro Industrial
Dimensions	<p>5000 - 15000m2</p> <p>Higher ceiling (6 - 8m), ceiling heights vary depending on occupier and operation.</p> <p>2-storey office facilities often located within the unit flanking one of the boundary walls.</p>	<p>1000m2 - 5000m2</p> <p>Higher ceiling (6 - 8m), ceiling heights vary depending on occupier and operation.</p> <p>2-storey office facilities often located within the unit flanking one of the boundary walls.</p>	<p>500m2 - 1000m2</p> <p>Higher ceiling (6 - 8m), ceiling heights vary depending on occupier and operation.</p> <p>2-storey office facilities often located within the unit flanking one of the boundary walls.</p>	<p><500m2</p> <p>Individual units typically 150-200m2 with larger floorspace usually occupied by larger organisations - open access or educational uses.</p> <p>4.5 - 8m ceiling heights, generally minimum 4m.</p>
Access and Servicing	<p>Personal car parking will be separate from service yards. Access to industrial offices typically from the street or car park and will not cross the service yard.</p> <p>There is typically an allowance for a 4m high loading door into the main space.</p>	<p>Personal car parking will be separate from service yards. Access to industrial offices typically from the street or car park and will not cross the service yard.</p> <p>There is typically an allowance for a 4m high loading door into the main space.</p>	<p>Personal car parking will be separate from service yards. Access to industrial offices typically from the street or car park and will not cross the service yard.</p> <p>There is typically an allowance for a 4m high loading door into the main space.</p>	<p>Some need for large entry access points for vehicles transporting materials and for regular servicing.</p> <p>Openings should be large enough for delivery of goods and equipment: roll-up doors with minimum height of 3.7m and width of 2.4-3m</p>

Typical Building Typologies

Industrial/Manufacturing - Maylands Examples

Large Industrial



Boundary Way

Use:
UTC Aerospace

Footprint:
5365m²

Medium Industrial



Maxted House

Use:
Vacant

Footprint:
1784m²

Small Industrial



Maxted Park

Use:
Various

Footprint:
779m² per unit

Micro Industrial



Mark Road

Use:
Various

Footprint:
100-145m²

Typical Building Typologies

Warehouse / Logistics

This typology represents the largest enclosed workspace volume of all categories. High levels of large vehicle servicing for deliveries and sales is required. Combinations of other typologies can also be expected, for example small office-type space in addition to 'shop floors'.

Generally, typical uses include:

- Large-scale storage providers
- Large-scale retail (wholesale) operators

	Very Large Warehouse	Large Warehouse	Medium Warehouse	Small Warehouse
Dimensions	<p>5000 - 15000m²</p> <p>10m – 13m ceiling height for warehousing operations</p>	<p>5000 - 15000m²</p> <p>10m – 13m ceiling height for warehousing operations</p>	<p>1000m² - 5000m²</p> <p>10m – 13m ceiling height for warehousing operations</p>	<p>500m² - 1000m²</p> <p>6 - 8m ceiling heights. These Vary depending on occupier and operation</p>
Access and Servicing	<p>Personal car parking is separate from service yards.</p> <p>There should also be an allowance for a 4m high loading door into the main space. And a docking bay.</p> <p>Benefits from access to key local and regional transport routes to facilitate deliveries and regional customer access.</p>	<p>Personal car parking is separate from service yards.</p> <p>There should also be an allowance for a 4m high loading door into the main space. And a docking bay.</p> <p>Benefits from access to key local and regional transport routes to facilitate deliveries and regional customer access.</p>	<p>Personal car parking is separate from service yards.</p> <p>There should also be an allowance for a 4m high loading door into the main space. And a docking bay.</p> <p>Benefits from access to key local and regional transport routes to facilitate deliveries and regional customer access.</p>	<p>Staffing / client access only (no large entrance requirements).</p> <p>Benefits from access to key local and regional transport routes to facilitate regional customer access.</p>

Typical Building Typologies

Warehouse/Logistics - Maylands Examples

Very Large Warehouse



Boundary Way

Use:
Amazon
warehouse/
logistics

Footprint:
42683m²

Large Warehouse



Swallowdale Lane

Use:
Robert Dyas

Footprint:
11851m²

Medium Warehouse



Hall Road

Use:
IIAA LTD
Distribution Centre

Footprint:
1763m²

Small Warehouse



Blossom Way

Use:
Nile Trading UK

Footprint:
776m²

02. Site Context

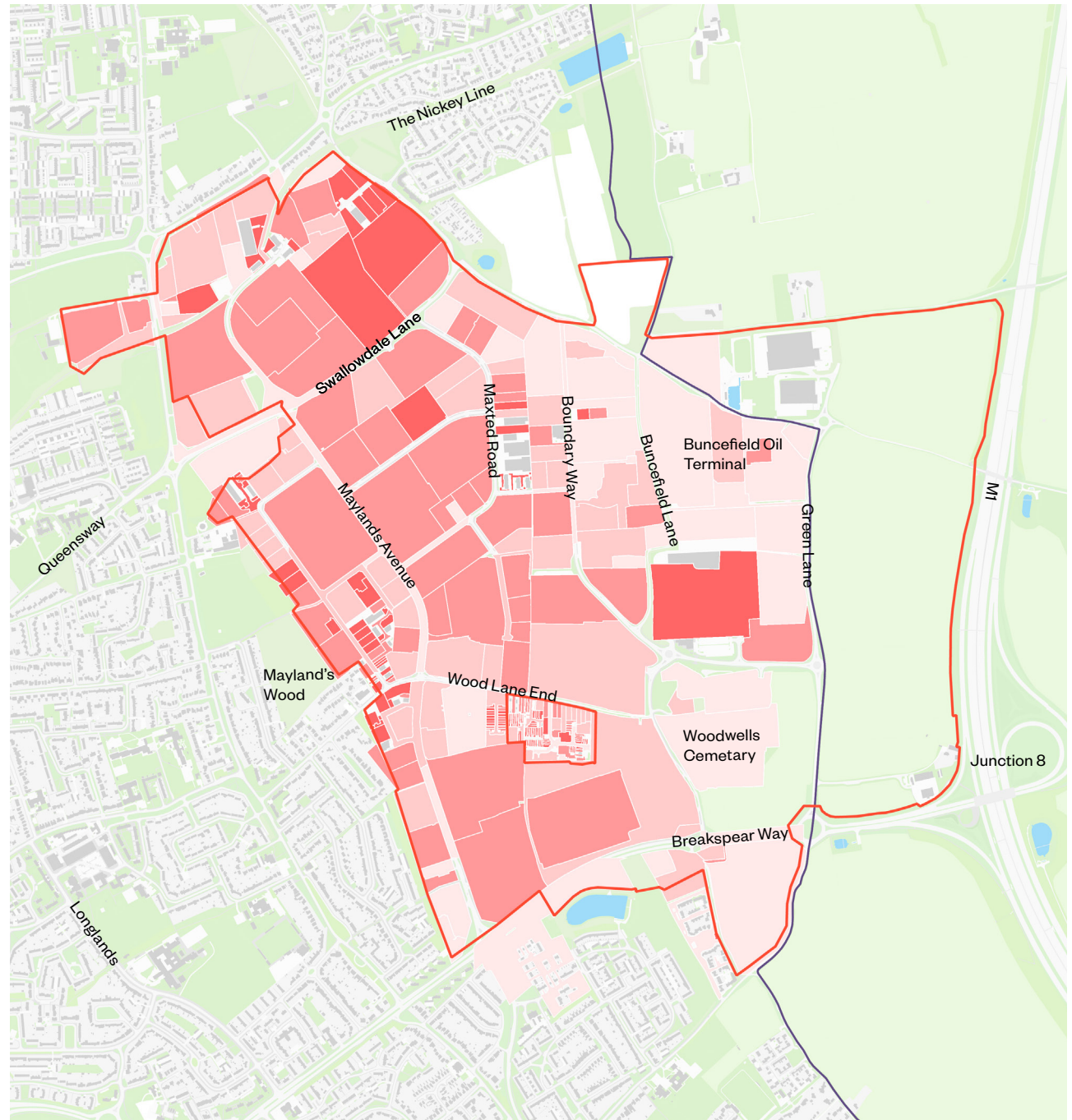
Urban Form Plot Coverage

Plot coverage also varies throughout the site and by use.

However it is possible to draw some spatial conclusions based on areas which have particularly high plot coverage in the centre of the site, and low plot coverage to the edges, particularly in the east. When considered alongside use and building footprint, plot coverage can be useful in ascertaining development potential.

The following page utilises these factors to identify existing place typology.

Key



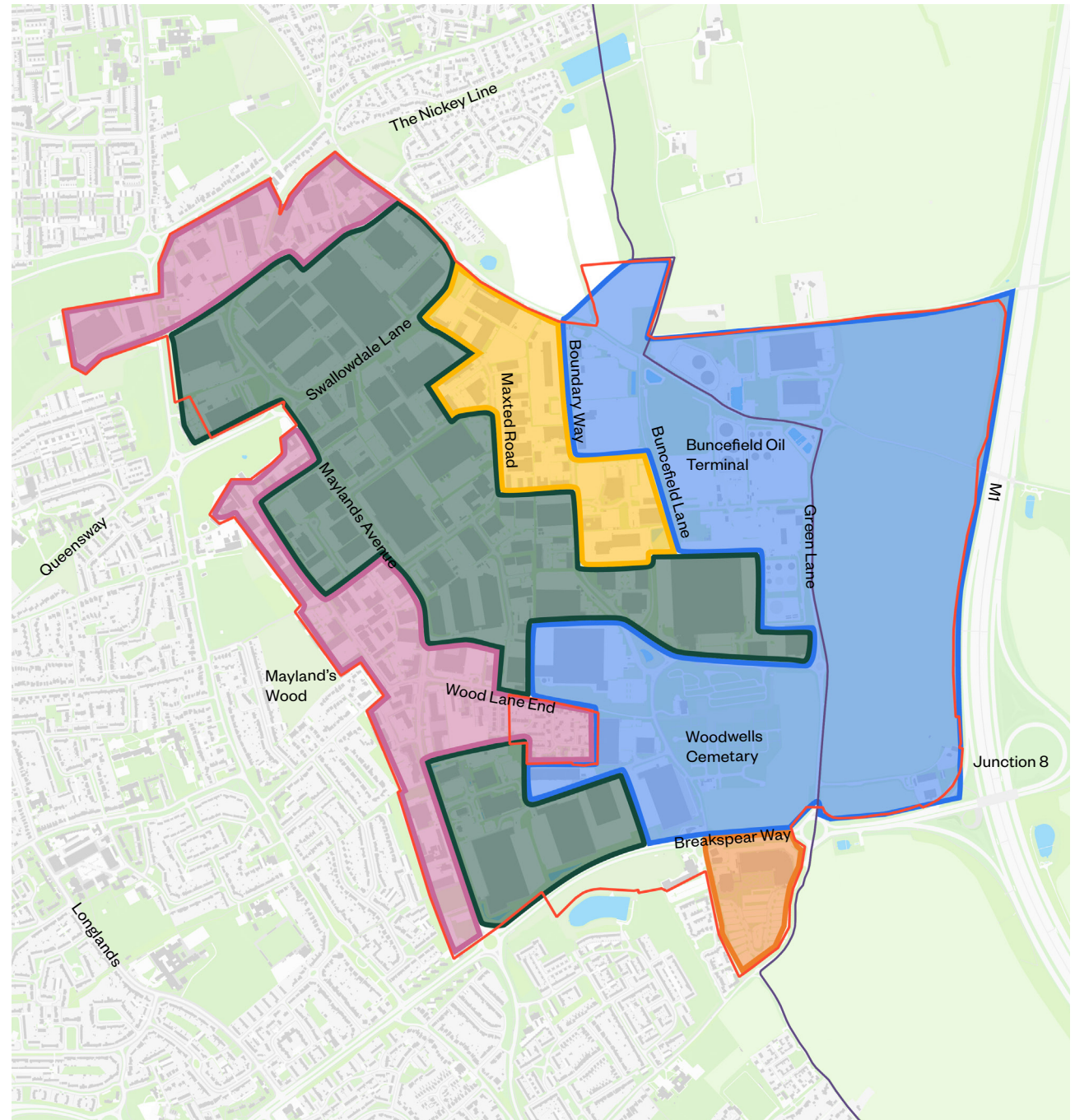
Existing Places

Five existing place areas have been identified based on plot coverage, building footprint and typology.

These can be used to inform the future identification of areas for design coding. Small-medium plots with a mix of uses are present to the north and west of the site, suggesting that these may hold potential for high density future employment. A concentration of medium-sized plots with primarily office uses and high vacancy form a central seam through the site, these may also be appropriate for redevelopment to high density employment. The south and east of the site is characterised by large sites with low plot coverage, this suggests that these areas will also be suitable for redevelopment, potentially with large and very large units. The centre of the site is characterised by large sites with high plot coverage, suggesting they may not be appropriate for redevelopment.

Key

- Small - medium sites, mix of uses
- Large sites, high plot coverage
- Large sites, low plot coverage
- Medium sites, primarily office uses, high vacancy
- Large site, office retrofit
- Borough boundary
- Site boundary



02. Site Context

Refined Existing Places

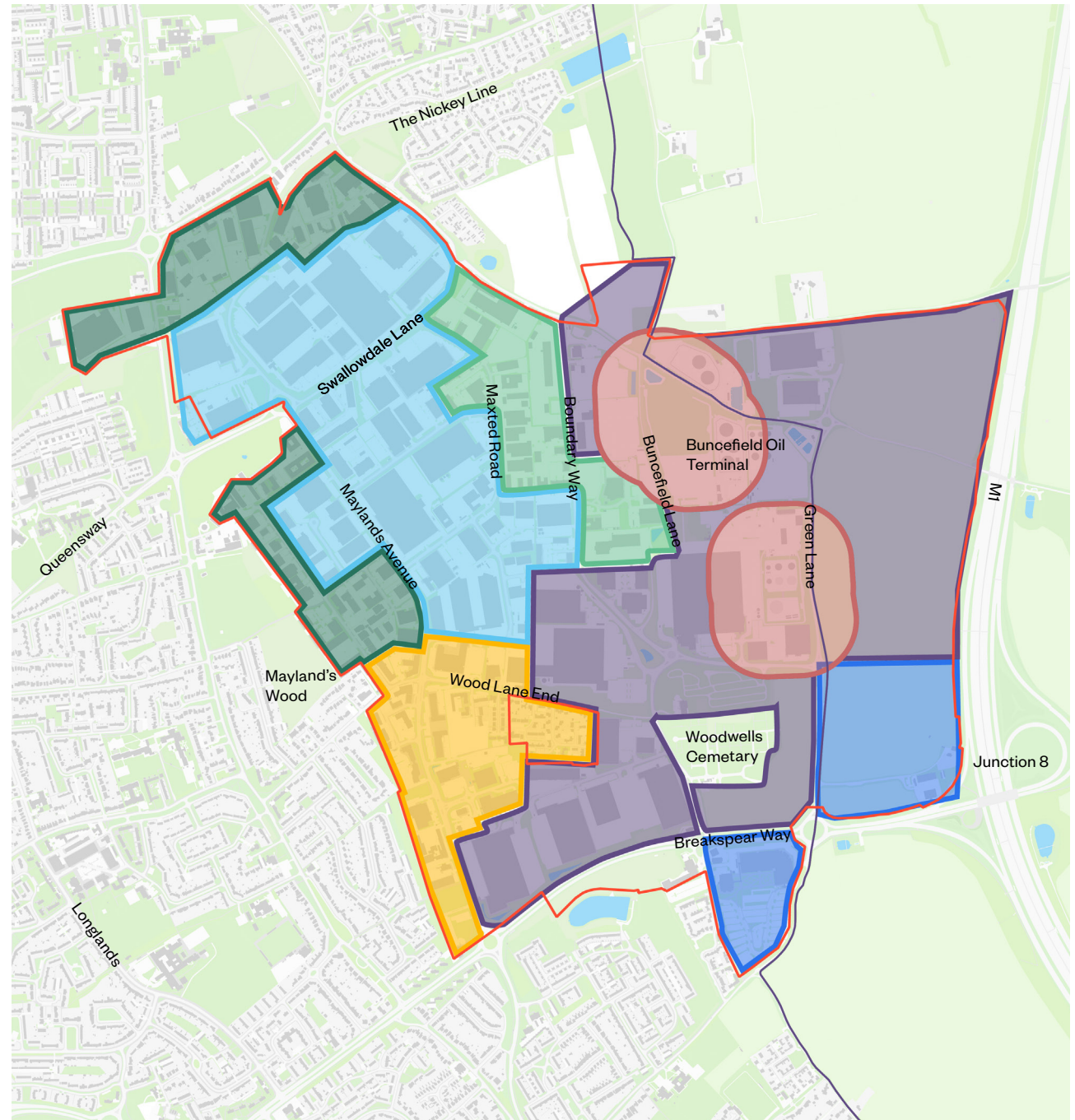
Based on existing place, policy and constraints

The existing places can be refined further by factoring the impacts of policy and environmental constraints.

Seven refined existing places have been identified with differing characteristics.

Key

- Urban Edges - Small to medium site, mix of uses.
- Core - Large sites, high plot coverage
- Central Seam - medium sites, high vacancy
- Heart of Maylands
- Eastern and Southern Edges - large sites, low plot coverage
- Gateway Sites - Adjacent to M1 J8
- HSE DPZ zone - parking and storage only
- Borough boundary
- Site boundary



SWOT and Key Findings

03. SWOT

Strengths	Weaknesses
<ul style="list-style-type: none"> - Diversity of existing building stock - Diversity of existing employment sectors - Mayland's position as a local and regionally important employment centre - High level of existing greening - Mix of services for businesses in Heart of Maylands and bus route which can provide a strong anchor for future redevelopment 	<ul style="list-style-type: none"> - Poor public realm and streetscape with motor vehicles dominating - Lack of identity and poor first impressions - Poor connections between Maylands and its wider environment, including Hemel town centre and adjacent residential areas - Lack of public amenity space, including public space, particularly for residents within the Heart of Maylands local centre - High vacancy in existing office uses - HSE DPZ consultation zones limit the uses and density of employment permissible in certain areas. - Lack of high quality employment / Dominance and visibility of logistics and warehousing sectors - Grain of larger logistics uses creates impermeable fabric and prevents network of legible streets - Varying quality of existing building stock
Opportunities	Threats
<ul style="list-style-type: none"> - High number of plots with low coverage offers potential for impactful redevelopment - Delivery of public realm improvements linked to future development which will increase the quality of the environment and perception of the area - Improvements to streetscape and activity within the Heart of Maylands - Available development sites have good strategic connectivity to the M1 - High proportion of office space coming to the end of its economic life - Potential for wider housing redevelopment to attract higher skilled workforce - High potential for better connections between Maylands and its surroundings through new development, public realm, wayfinding, identity and active travel routes - particularly east-west. - Sites in prominent locations which could change the character and initial impression of Maylands - Reprovision of employment space from elsewhere in the TC which will be lost through redevelopment. - The East Hemel site (within St Albans) offers a unique opportunity to provide a high quantum, and high quality, of employment space - Some presence of sectors (envirotech and advanced manufacturing) which support Herts IQ objectives - Opportunities for greater diversity to increase variety of skilled jobs as per HGC Spatial Vision - Opportunity to better connect Maylands with key destinations through the delivery of a transport hub in the heart of Maylands - Opportunity to consider appropriate locations for data centres and policy guidance to support reuse of excess heat to support local offices/schools/high density development 	<ul style="list-style-type: none"> - Risk that market-led development will not provide high quality jobs and environment - Risk that development will rely on delivery of major infrastructure which may not be feasible within the short term. Particularly at risk is development of the East Hemel site with high quality employment uses - Proximity of the eastern edge of the site to the M1. Noise and air quality will limit the potential to create positive urban environment - Lack of information on the make-up of the existing business base in Maylands limits the potential to identify opportunities for indigenous growth, which could be fostered through the masterplan

Key Findings

The role of space between buildings

- The spaces between buildings in Maylands have an important role to play in improving the everyday experience and perception of Maylands.
- At present, many of the buildings in Maylands have a poor relationship with the surrounding streets.
- The pedestrian environment is presently poor partly due to low quality materials and landscaping in the public realm.
- It is important that investment and guidance ensures improvements in the spaces between buildings.
- The majority of streets and spaces in Maylands are movement focussed and not place focussed, this needs rebalancing.

Places of arrival are key

- Places of arrival, by all transport modes, can play a key role in improving Maylands' environment.
- Key arrival places include: the J8 Junction, The Nickey Line, Maylands Avenue, Wood Lane End, Cleveland Road, Swallowdale Lane, and Green Lane.
- New connections into Maylands from development on the East Hemel site will be of vital importance.

Impermeability

- The large scale of many of the industrial and warehouse uses has limited active travel

movement, especially east-west.

- It is important that these connections are improved through the safeguarding of routes in future development.
- North south active travel routes through the East Hemel site must also be safeguarded.

Maylands identity needs defining and strengthening

- Maylands identity is unclear at present and needs to be defined and strengthened.
- The lack of a clear identity reduces Mayland's attractiveness as a place of potential investment and as a prospective location for businesses.
- It also reduces legibility for people visiting Maylands

Lack of data on indigenous business activity

- As a comprehensive existing business audit is not available. This makes it difficult to assess the need for transport interventions/improvements given the vast difference between office and HGV needs. It has not been possible to draw conclusions regarding the needs of existing businesses.
- A business audit, inclusive of travel and transport data, should be undertaken in due course.
- As such, the vision and design coding will need to ensure that it is flexible enough to allow growth in existing sectors, as well as the growth sectors targeted by partners.

Adaptability of building stock

- Similar activities take place in units which vary substantially in footprint and plot size.
- This suggests that new building stock must be able to adapt to a variety of uses throughout its life.
- Coding for adaptability will help to futureproof Maylands.

The Heart of Maylands as a place to live

- The Heart of Maylands contains strong business amenity, however it is also home to a significant number of people.
- The environment at the Heart of Maylands needs to better support its residents through quality public space.
- There is a need for improved local supporting facilities, for example childcare and amenity retail offer.

HSE Consultation Distances limit public uses in the centre of the study area

- Within the DPZ only the following uses are permitted: Parking > 500 cars, storage facilities (Includes outdoor storage, farm buildings. Not to be used by public), minor transport links.

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Project Name	23079 – Maylands Business Park
Subject	Transport Baseline & SWOT
Ref	23079/N02
Date	17 th May 2024

1. Introduction

- 1.1. KMC Transport Planning (hereby referred to as 'KMC') has been commissioned by Dacorum Borough Council (DBC) as part of the Cushman & Wakefield led masterplanning team, to provide transport advice and input into a vision for the redevelopment of Maylands Business Park, Hemel Hempstead.
- 1.2. The vision will include a long term (20 year) period as well as a shorter term (5 year) 'Immediate Opportunity Plan'.
- 1.3. This Note has been prepared as part of the Stage 1 – Familiarisation & Initial Masterplan workstream and represents a review of the baseline conditions pertinent to transport, access and movement.

2. Non-Technical Summary of Maylands Business Park

- 2.1. Maylands Business Park is typical of many light industrial business parks in the UK. Located close to the Strategic Road Network (A414 and M1), by design, the default mode of transport for most trips is the car. This approach to access has enabled Maylands to successfully trade as part of the wider Dacorum economy.
- 2.2. However, as strategic priorities and local employment needs change, the impact of a car centric approach to access has become apparent. Streets are hostile to non-car users, with a lack of connections to the business park and as well as connectivity within it. As such, spaces are dominated by car parking and public transport is uncompetitive. It is therefore seen as unappealing when compared to car based transport, leading to a high reliance on the private car, even for employees living within Hemel Hempstead.

3. Current Maylands Travel Behaviours

- 3.1. 2011 Census dataset 'WU03EW - Location of usual residence and place of work by method of travel to work (MSOA level)' has been interrogated to provide an indication of the existing mode share for people working within Maylands Business Park. The results are shown in Table 3.1.
- 3.2. Whilst it is recognised the 2011 Census dataset is over 13 years old, 2021 Census has limitations having been undertaken during COVID-19.

Table 3.1 – 2011 Census Mode Share

Method of Travel	Mode Share (%)
Underground, metro, light rail or tram	1%
Train	2%
Bus, minibus or coach	3%
Taxi	0%
Motorcycle, scooter or moped	1%
Driving a car or van	79%
Passenger in a car or van	6%
Bicycle	1%
On foot	6%
Other method of travel to work	0%
Total	100%

- 3.3. The 2011 Census results indicate a significant car reliance (85% car use) for employees travelling to Maylands Business Park at present.
- 3.4. This has been validated through a travel survey of Maylands staff, carried out in July 2023. This suggested that 67.7% of staff usually travel by car alone, with a further 5.1% of a car driver with passengers and 3% car passengers. This indicates a similar level of car reliance (75.8%) to the 2011 Census data.
- 3.5. Based on 2011 Census data, the main districts that these employees are travelling from is presented in Table 3.2 below.

Table 3.2 – 2011 Census Distribution by Districts

District	Distribution (%)
Dacorum	38%
Luton	10%
Central Bedfordshire	7%
St Albans	5%
Aylesbury Vale	3%
Watford	3%
Three Rivers	3%
Welwyn Hatfield	2%
Milton Keynes	2%
Other	28%
Total	100%

- 3.6. This indicates 38% of staff travel to the site from within Dacorum. The second highest origin is Luton, with 10% of staff travelling from there. The remaining 28% of staff from 'other' districts are from areas where 1% or fewer staff are coming from.

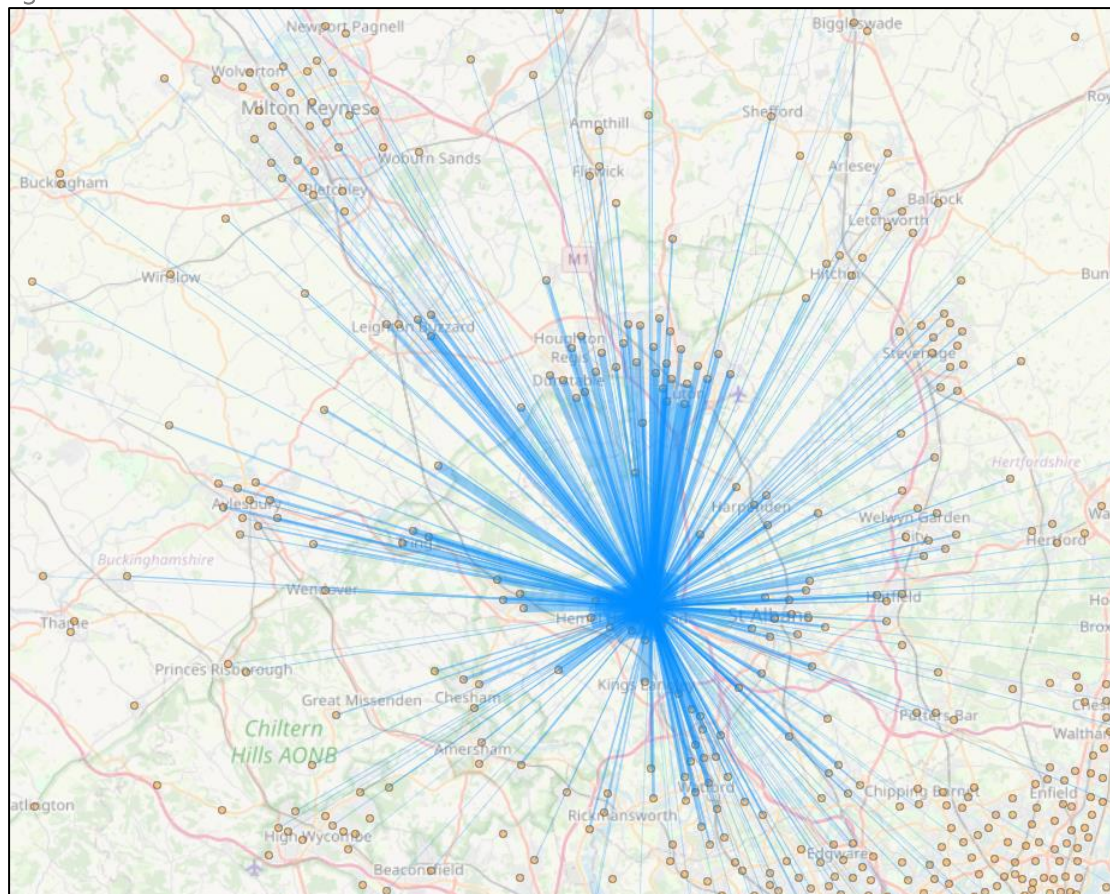
- 3.7. Breaking this down further, the distribution of staff from towns/cities closest to the site is presented in Table 3.3.

Table 3.3 – 2011 Census Distribution Near Maylands

Area	Total Distribution (%)	Car Driver (%)
Hemel Hempstead	32%	68%
Berkhamsted	2%	86%
St Albans	3%	87%
Harpenden	1%	91%

- 3.8. Of the 38% of staff travelling from within Dacorum, 32% travel from within Hemel Hempstead, with a further 2% travelling from Berkhamsted. To the east, 3% and 1% of staff travel from St Albans and Harpenden respectively.
- 3.9. Of those staff travelling from within Hemel Hempstead, 68% travel by car, highlighting the current preference for car-based transport to and from the business park despite short distances. Further afield, over 85% of staff travel by car from Berkhamsted and St Albans, with over 90% of staff travelling by car from Harpenden.
- 3.10. A visualisation of the distribution of where staff are travelling by all modes of travel is presented in Figure 3.1.

Figure 3.1 – 2011 Census Datashine Distribution



Summary

- Currently a heavy car reliance (circa 75-85% car use) for employees travelling to Maylands Business Park. Opportunity to significantly reduce this through improving local connectivity for workers given that 32% travel from within Hemel Hempstead, 68% of which travel by car.

4. Infrastructure Appraisal

Pedestrian Network

- 4.1. The pedestrian network within Maylands Business Park is centred around the shared-user path along both sides of the Maylands Avenue carriageway, providing a level of north-south pedestrian connectivity through the spine of the business park.
- 4.2. The majority of the shared-user path on Maylands Avenue is street lit, and for the majority is kerb and verge separated. Notwithstanding this, there are segments of pinch points along the path where the path narrows or is width-restricted due to signage (such as immediately south of the Maylands Avenue / Spring Way junction).
- 4.3. Designated pedestrian crossing facilities along Maylands Avenue are mostly limited to controlled signalised pedestrian crossing points are junctions, which at certain points can be absent for long distances.
- 4.4. East-west pedestrian connectivity within Maylands is relatively limited to pedestrian footways being on smaller carriageways and arms that serve individual segments of the business park. There is no clear east-west 'core' road. This limits pedestrian connectivity as those within the site may have to navigate a maze of small roads with industrial usage to reach their destination.
- 4.5. For pedestrians wishing to enter the business park from Hemel Hempstead, there are minor 'informal' pedestrian through routes that will enter from the western side of Maylands Avenue, as well as the Nickey 'Line'. Pedestrians can also enter the business park from the north or south, with near continuous pedestrian footways to the majority of the surrounding areas, however there is no clear 'Gateway' entry point.
- 4.6. The general state of footpaths and shared-user paths is poor, particularly in the eastern quarter of Maylands along Boundary Way, as shown in the photos below.



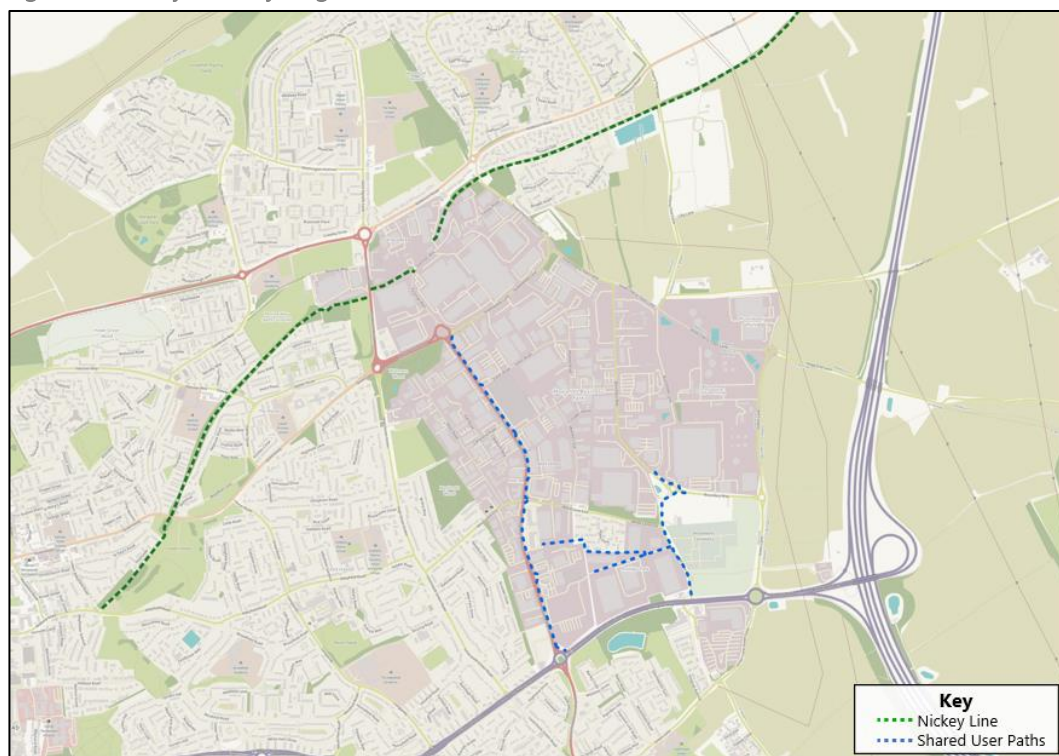
- 4.7. Notwithstanding this, the condition of the shared user paths and footways on other roads within Maylands is considerably better. The photos below show a segment of the shared user path on Maylands Avenue (left) and the a shared user path on Buncefield Lane (right) respectively.



Cycling and Micro Mobility Network

- 4.8. The 'Nickey Line' is a c.14km long cycle track (or 'Green Corridor') that forms part of Sustrans National Cycle Route 57 (The Oxford to Welwyn Garden City Route). In a local context, it provides an active-travel connection between Hemel Hempstead town centre and Harpenden, via Redbourn.
- 4.9. The 'Nickey Line' runs at an east-west bearing through the northern quarter of Maylands Business Park, parallel to Eastman Way until verging off north-east as a separate line before a bridge link over Three Cherry Trees Lane.
- 4.10. It replaced the former Hemel Hempstead – Harpenden Railway Line and so is mostly off-road, in the form of a dirt track. Cyclists are required to cross Redbourn Road and cycle a c.200m stretch along a shared footway / cycleway on Eastman Way through Maylands Business Park.
- 4.11. There is also a selection of shared-user paths within the Maylands Business Park, that provide short distance internal connections. Figure 4.1 presents the location of the Nickey Line and Shared User Paths within the business park.

Figure 4.1 – Maylands Cycling Connections



- 4.12. Despite providing a useful connection, The Nickey Line has a level of constraints at a local level. The majority of the off-road path, both immediately to the east and at the western access point to the town centre, lack street lighting which may deter users. There is also a lack of natural surveillance along sections of the route, as well as the general maintenance of the path being sub-standard, with mud and leaves creating a slippery surface which could be both a risk and deterrent to active travel users. The photos below display a series of these constraints.



- 4.13. With regards to signage and wayfinding for the Nickey Line, there is a relatively consistent level of signage across Maylands with a recognisable 'logo' for the route. Signs displaying cycle routes towards Hemel Hempstead are also regular and consistently recognisable. Notwithstanding this,

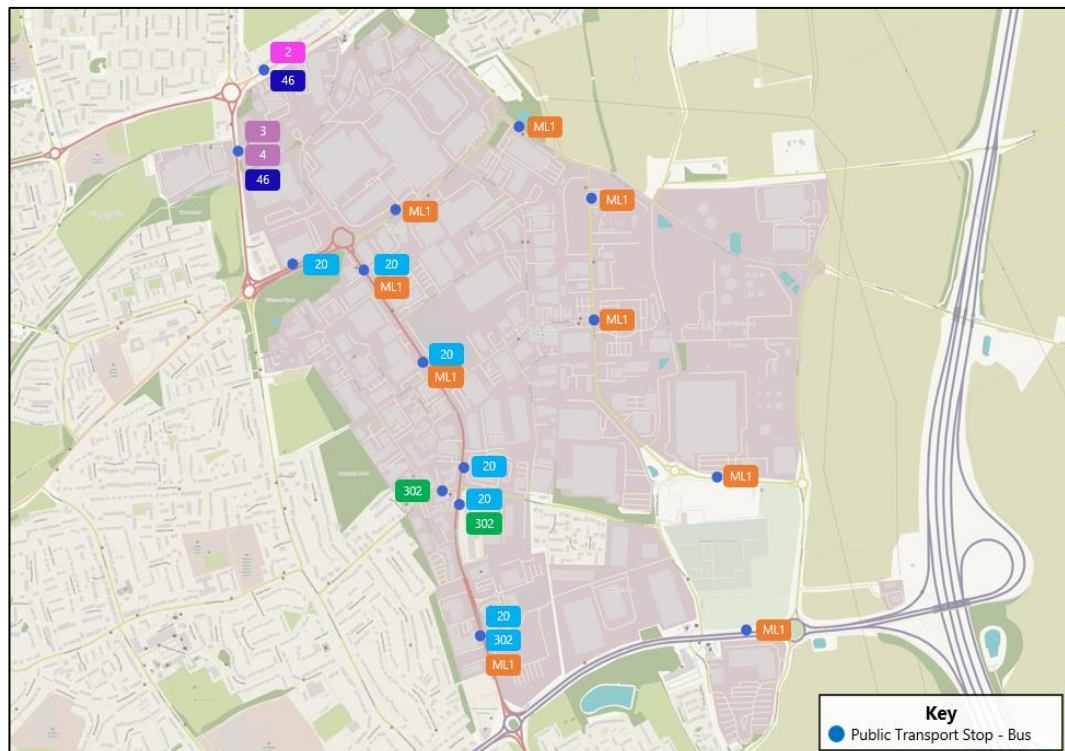
some signs will require more regular maintenance to ensure users do not miss turns and can find the route as required.



Bus Services

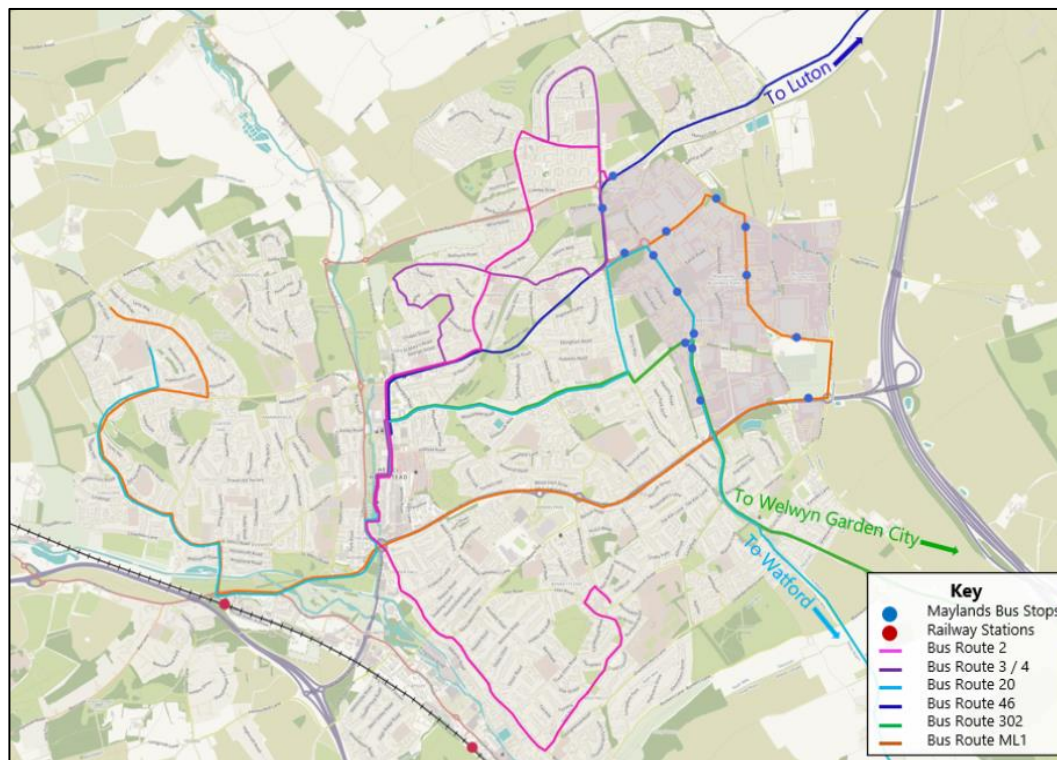
- 4.14. Most bus stops serving Maylands Business Park are located on Maylands Avenue, with some also provided on Boundary Way. At present, there are no bus lanes or infrastructure within Maylands to give buses priority. Bus stops located within and in the immediate vicinity of Maylands Business Park along with the respective serving routes are shown in Figure 4.2.

Figure 4.2 - Maylands Business Park Bus Stop Locations



- 4.15. Routes 2, 3/4, 20, 46, 302 and ML1 serve bus stops within and in the immediate vicinity of Maylands, providing east-west connections through Hemel Hempstead via the railway station, and wider connections to Watford, Luton and Welwyn Garden City as shown in Figure 4.3 below.

Figure 4.3 – Maylands Bus Services Plan



- 4.16. At a local level, individual bus stops are all flagged, with the majority also fitted with shelters and seating. All bus stops fitted with shelters have a relatively consistent and recognisable design. Notwithstanding this, some bus stops across Maylands are without seating/shelters, and all lack real time timetable information. The photos below display a selection of bus stops located within Maylands.



Railway Services

- 4.17. Hemel Hempstead Railway Station, located on the western edge of the town, is situated on the West Coast Main Line and provides services to major destinations such as London Euston and Milton Keynes. The current journey time to London Euston is c.28 minutes, and c.30 minutes to Milton Keynes. A bus interchange station is located in the northern quarter of the station car park. There is also c.50 covered cycle parking spaces located at the railway station frontage. However, there is a lack of direct cycling connections to the railway station from Maylands.
- 4.18. Apsley Railway Station is the second railway station in Hemel Hempstead, situated on the southern fringe of the town, and also on the West Coast Mainline. The services that operate here are the same as those from Hemel Hempstead, to both London Euston and Milton Keynes. Similar to Hemel Hempstead station, there is a lack of direct cycling connections from Maylands.

Highway Network

- 4.19. The business park is fronted by the A414 Breakspear Way to the south, a dual carriageway circa 20 meters wide with 2 lanes in each direction, providing severance to the residential areas to the south.
- 4.20. Maylands Avenue and Boundary Way are the main arterial routes through the business park. Maylands Avenue runs in a north-south alignment between the A414 to the south and Swallowdale Lane to the north. It is circa 9.5m to allow for right turn lanes at intervals along it. Single yellow lines are present along each side of the road.
- 4.21. Boundary Way is a single carriageway road, circa 7m at its northern extent, widening to circa 10.5m near to the south, near the previous Amazon LTN2 warehouse. Double yellow lines are in place along its extent, restricting car parking. This road is subject to high numbers of HGVs.
- 4.22. Within the business park, there are limited east-west vehicular connections, with Maxted Road / Eaton Road providing the only through route to Boundary Way. Wood Lane End was previously a through route to Buncefield Road, but bollards have since been installed to restrict vehicular access at the junction with Buncefield Road.
- 4.23. Three Cherry Lane runs along the northern boundary of Maylands. Sections of the road are not subject to any parking restrictions meaning it is used as a layover for vans and HGVs. It is also used for fly tipping giving it an unsavoury character. Near Green Lane, the road narrows to a single track where vehicles must give way to oncoming traffic.
- 4.24. When the A414 is congested, Maylands can often be used as a 'rat run' for people looking to join the M1 at Junction 9 via the B487 through Redbourn.

Summary

- There is opportunity to upgrade the general state of footpaths and shared-user paths at the eastern quarter of Maylands along e.g., Boundary Way, which are relatively poor. However, some areas of Maylands (e.g., Maylands Avenue) has a better quality of footways / shared-user paths.
- Opportunity to provide more designated pedestrian crossing facilities across Maylands, which are generally limited at present.
- There are limited east-west connections through the business park which could be improved, as well as the introduction of additional modal filters to encourage walking and cycling.
- Bus connectivity to Maylands is fairly limited. Bus stops are located on Maylands Avenue, however there are no bus lanes or infrastructure within Maylands to give buses priority. Upgrading bus stops with real time information could be an achievable goal for the 5 year vision.

5. Network Performance

- 5.1. Heatmaps for the AM and PM weekday peak hours are shown in Figures 5.1 and 5.2 respectively, highlighting areas of congestion within and around Maylands Business Park.

Figure 5.1 – AM Peak Hour Traffic

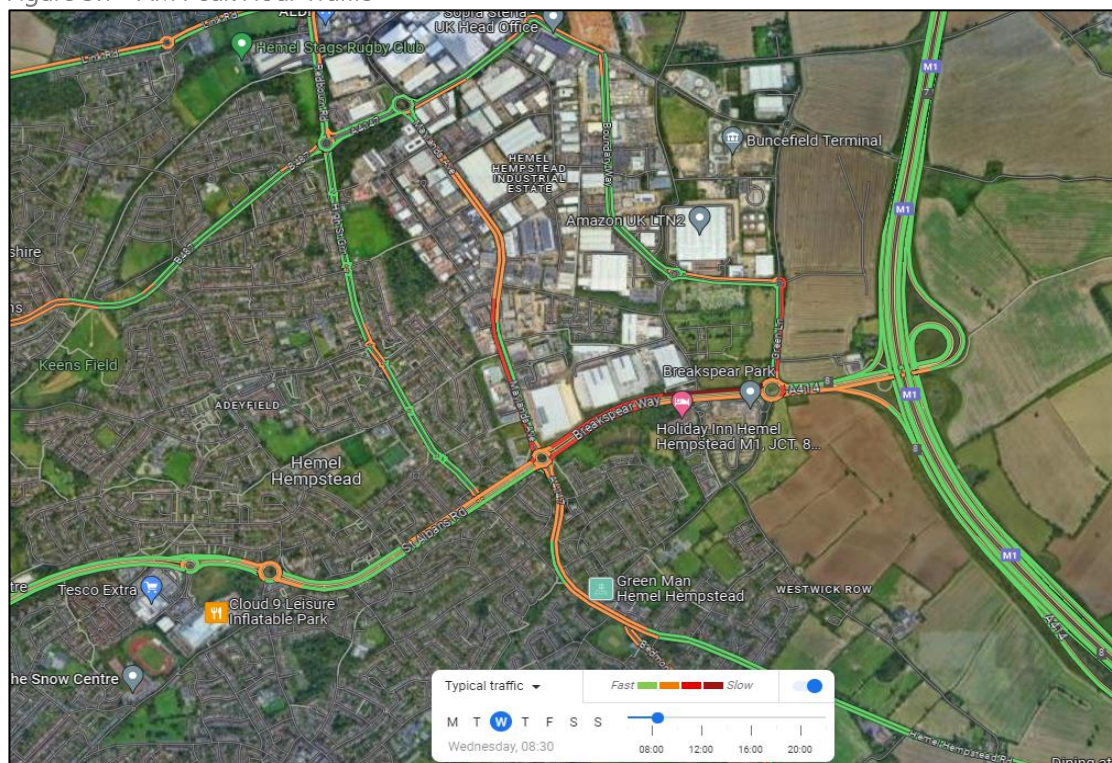
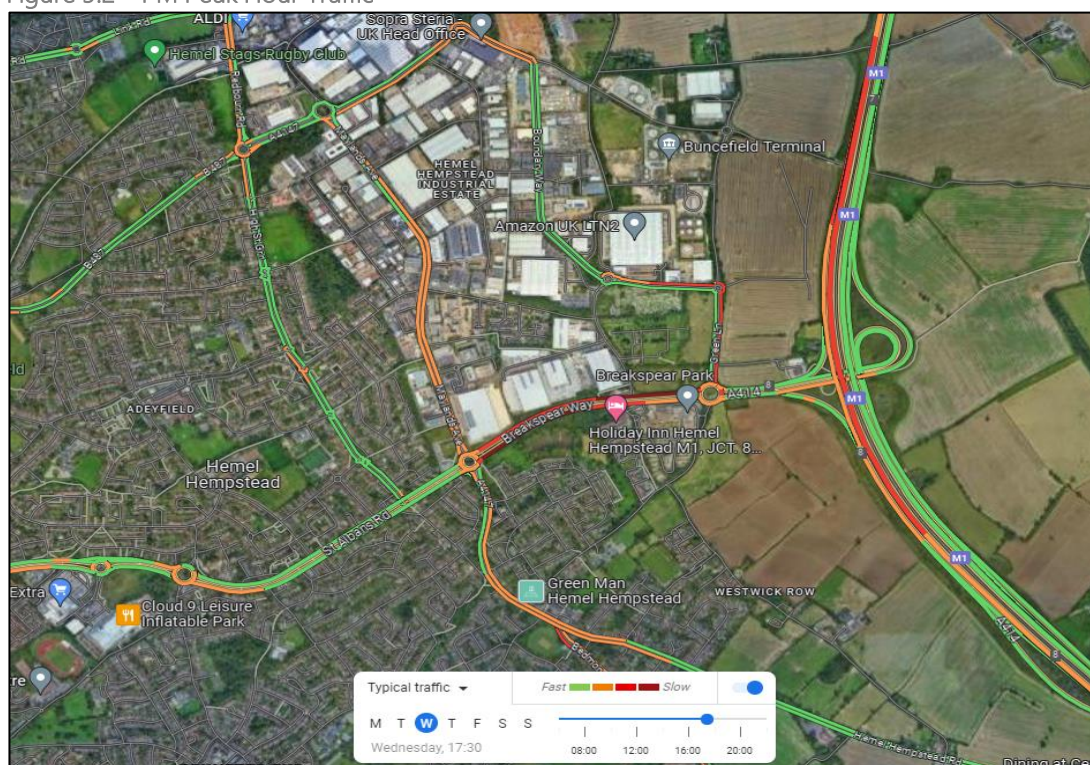


Figure 5.2 – PM Peak Hour Traffic



- 5.2. Figures 5.1 and 5.2 highlight that the A414 Breakspear Way to the immediate south of the business park is heavily congested in both the AM and PM peak hours. Similarly, the M1 northbound is heavily congested around Junction 8 in the PM peak hour. Maylands Avenue appears to suffer from a lighter level of congestion, albeit in both peak hours.

Summary

- Congestion is high in and around Maylands in the AM and PM network peak hours, particularly on the A414. Improvements to M1 Junction 8 would be expected to relieve this congestion.

6. Car & Cycle Parking

Existing Provision

- 6.1. A Maylands Parking study (dated September 2011) identified:

- High use of all on-street parking (greater than 80% capacity) but underuse of Duxons Turn Public Car Park (maximum 30% occupancy);
- Small businesses are more likely to experience near/ excess capacity.
- High levels of car ownership, generally high levels of car parking, and high levels of car usage, particularly for short distance trips lead to an excess demand for parking spaces in many location and localised congestion;
- There is poor public transport, walking and cycling links to Maylands Business Park; and

- There is a lack of designated HGV parking and facilities overnight, leading to high levels of on-street parking and some instances of anti-social behaviour.
- 6.2. The 2011 Maylands Parking Study identified there 120 on street parking spaces across nine locations at the business park. It also identified the following public off street parking:
- Duxons Turn Public Car Park – 50 parking bays; and
 - Maxted Close – 21 pavement parking spaces.
- 6.3. There are also dedicated car parks for businesses. There are single business sites which the parking study does not quantify, and multi-business parking sites as follows:
- Grovelands Business Park – 153 parking bays for ten businesses;
 - McDonalds Business Park – 180 parking spaces for 23 businesses;
 - Cleveland Way – 240 parking spaces for seven businesses;
 - Enterprise Way – 142 spaces for eight businesses;
 - Finway Road – 88 spaces for 9 businesses;
 - Brickfield Business Park – 45 spaces for 23 businesses; and
 - 5-10 Maxted Road – 74 spaces for 5 businesses.
- 6.4. As the information above does not provide a full overview of all parking spaces within Maylands, KMC have estimated the number of car parking spaces across Maylands (based on satellite imagery). The digitised surface level and multi-storey car parks within Maylands are shown in Figure 6.1 below.

Figure 6.1 – Car Parking within Maylands



6.5. The following ratios has been applied to the floor areas for the surface level and multi-storey sites:

- Surface level – 1 car parking space per 20 sqm
- Multi-storey – 1 car parking space per 28 sqm

6.6. Based on the above, there is estimated to be circa 16,200 parking spaces across Maylands. As such, a large amount of land across Maylands is dedicated to car parking. However, on the site visit, it was observed there was spare capacity at some car parks which may be attributed to vacant units.

6.7. With an estimated 20,000 jobs across Maylands, this equates to a possible car driver mode split of circa 81%, which aligns with the forecast mode split derived from Census data and the Maylands staff travel survey.

Local Plan Standards

6.8. DBC parking standards are contained in the Parking Standards SPD (November 2022). With regards to shared parking and space allocation, the standards advise that when different types of uses occupy the same area, there is the potential for parking spaces to be shared.

6.9. Similarly, where there are mixed uses or a number of different units, the DBC would generally prefer unallocated spaces to make parking as efficient as possible.

6.10. The standards provide parking standards based on three accessibility zones. These reflect different access to local facilities and public transport such as buses and railway stations, and therefore the potential to have lower car ownership. These zones are outlined below:

- Zone 1 – Highest Accessibility – the immediate ‘core’ of central Hemel Hempstead where there are extensive local facilities and buses and highest density of development
- Zone 2- High Accessibility – easy walking distance (approximately 10-minutes walk) of the centre of Hemel Hempstead.
- Zone 3 - Lower Accessibility – the rest of the borough, either other parts of urban areas, villages or rural areas.

6.11. The car parking standards are outlined in Table 6.1. Maylands is located within Accessibility Zone 3.

Table 6.1 – DBC Car Parking Standards

Use Class	Description	Accessibility Zone 1	Accessibility Zone 2	Accessibility Zone 3
Business Park	Mixed B1/B2/B8 (unless heavily orientated to B8) for use where individual land use components are not known	Assessed on an individual case	Up to a 30% reduction on the Zone 3 standard	1 space per 40 m2 GEA Parking provision for lorries to be considered on a case by case basis.

- 6.12. It is noted that flexibility to these standards might be accepted where there is close proximity to transport interchanges and in other highly accessible locations.
- 6.13. Regarding electric vehicle charging, 20% of all spaces should be active provision, with another 30% being passive provision.
- 6.14. The cycle parking standards for a business park, are 1 long stay space per 10 full time staff and 1 short stay space per 500 sqm GEA.

Summary

- A parking study (2011) identified high levels of car ownership and parking, although there was spare capacity at some public car parks (e.g. Duxons Turn Public Car Park) which could provide scope for redevelopment. The study also identified a lack of HGV parking which may need to be addressed if further warehousing units (with high numbers of HGVs) are to come forward.
- The estimated parking provision aligns with the expected car driver modal split at Maylands.
- Where possible, DBC would prefer parking should be shared between uses and occupiers to provide more efficient parking provision.

7. Known Infrastructure Proposals

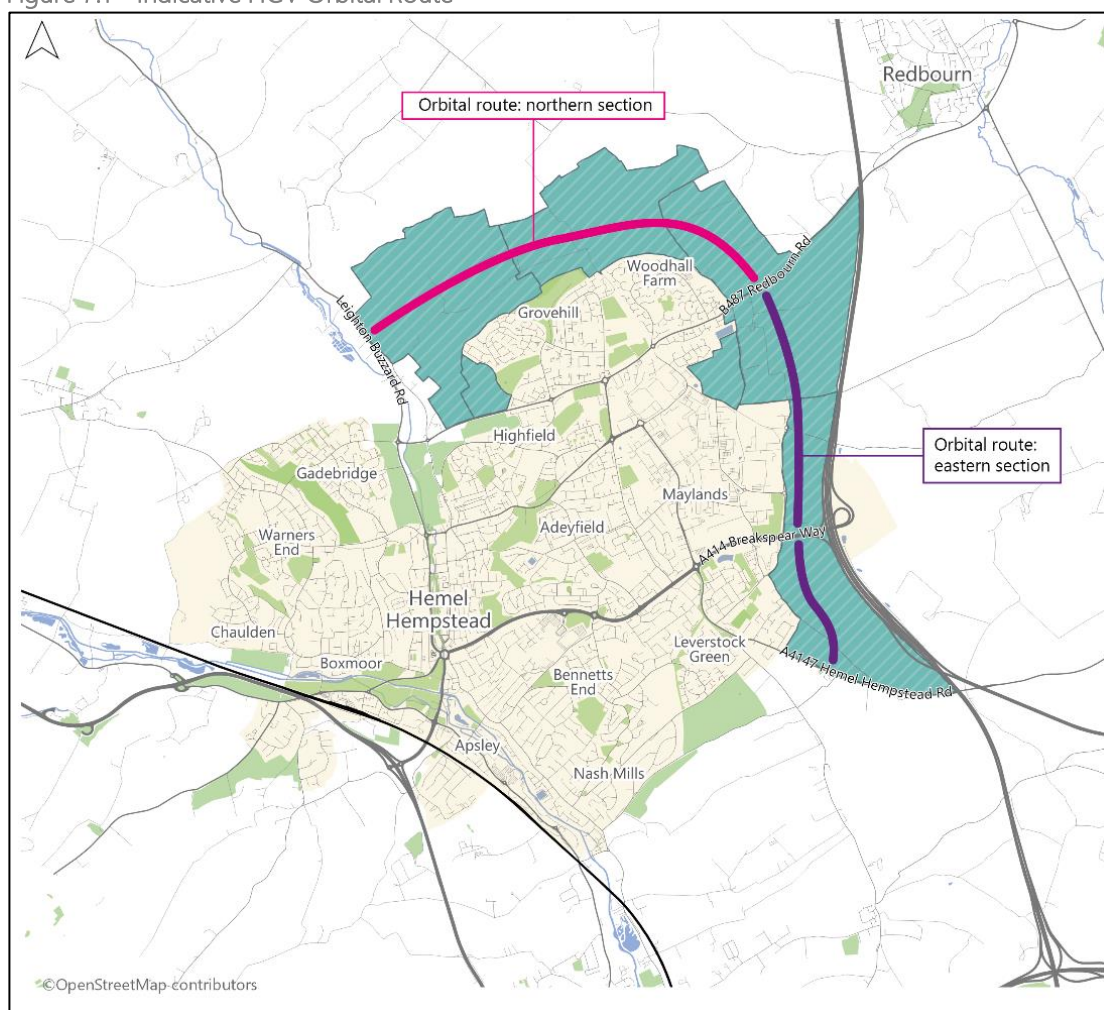
M1 Junction 8 (Project Breakspear)

- 7.1. It is understood there are proposals to upgrade M1 Junction 8, as part of a wider package of measures through 'Project Breakspear'. Illustrative layouts for this on Crown Estate land are for a new direct access into East Hemel and Maylands Business Park. It is understood that the scheme is supported by HCC through their published corporate position. However, further information on a programme, funding etc for these works is unknown at this stage.
- 7.2. Initial plans of Project Breakspear also explore the potential for a Multi-Modal Transport Interchange. Whilst the specifics need to be developed, this could create a focal point for other complementary uses and secondary mobility hubs to feed into it.

HGC Sustainable Transport Corridor

- 7.3. Hemel Garden Communities (HGC) would deliver significant growth around Maylands. The HGC Sustainable Transport Corridor (STC) forms part of the HGC Framework Plan, a spatial framework for the HGC Programme Area, with a detailed focus on North and East Hemel Hempstead growth areas. The Framework Plan has a positive sustainable transport vision for the new settlement as well as the wide town. Due to the close proximity, Maylands can look to benefit directly from some of the HGC proposals.
- 7.4. For instance, HGC proposes a sustainable transport, eastern orbital around Hemel Hempstead as shown in Figure 7.1.

Figure 7.1 – Indicative HGV Orbital Route

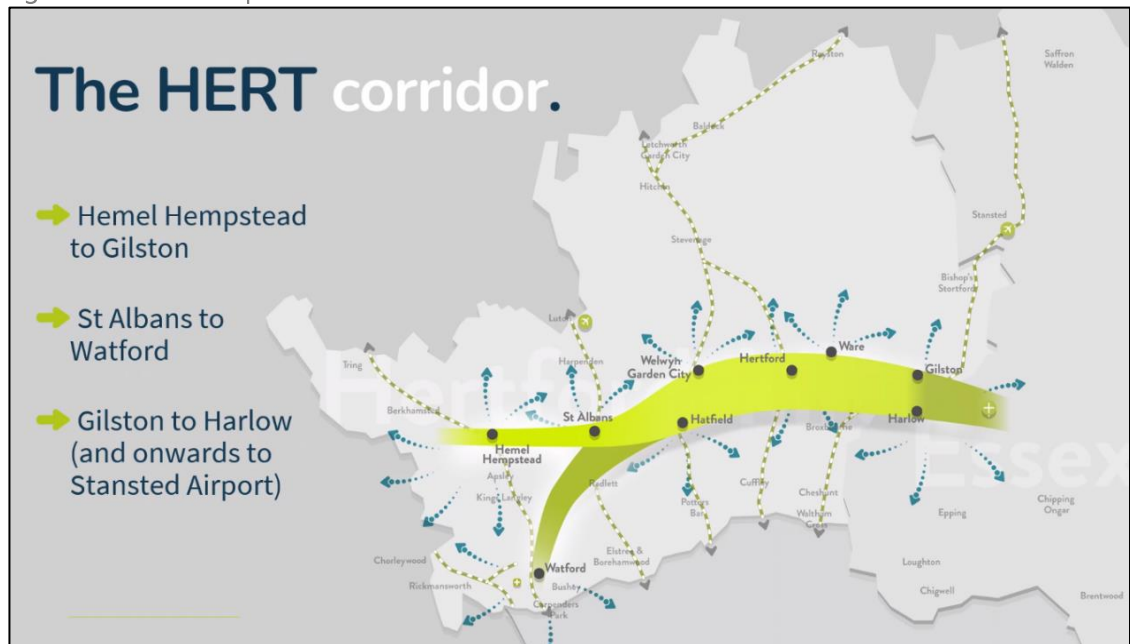


- 7.5. The nature of the link is still being determined but would provide alternative transport choices that do not need to pass through the congested heart of the town.

Hertfordshire Essex Rapid Transit (HERT)

- 7.6. The HERT is a new, sustainable passenger transport network intended to provide an accessible, reliable and affordable east-west transit system which connects people easily to where they live, work and visit.
- 7.7. The HERT forms part of the county council's A414 corridor strategy (outlined later) and is aligned with Hertfordshire's Bus Service Improvement Plan (BSIP) schemes.
- 7.8. The proposed route is shown in Figure 7.2 below.

Figure 7.2 – HERT Proposed Corridor

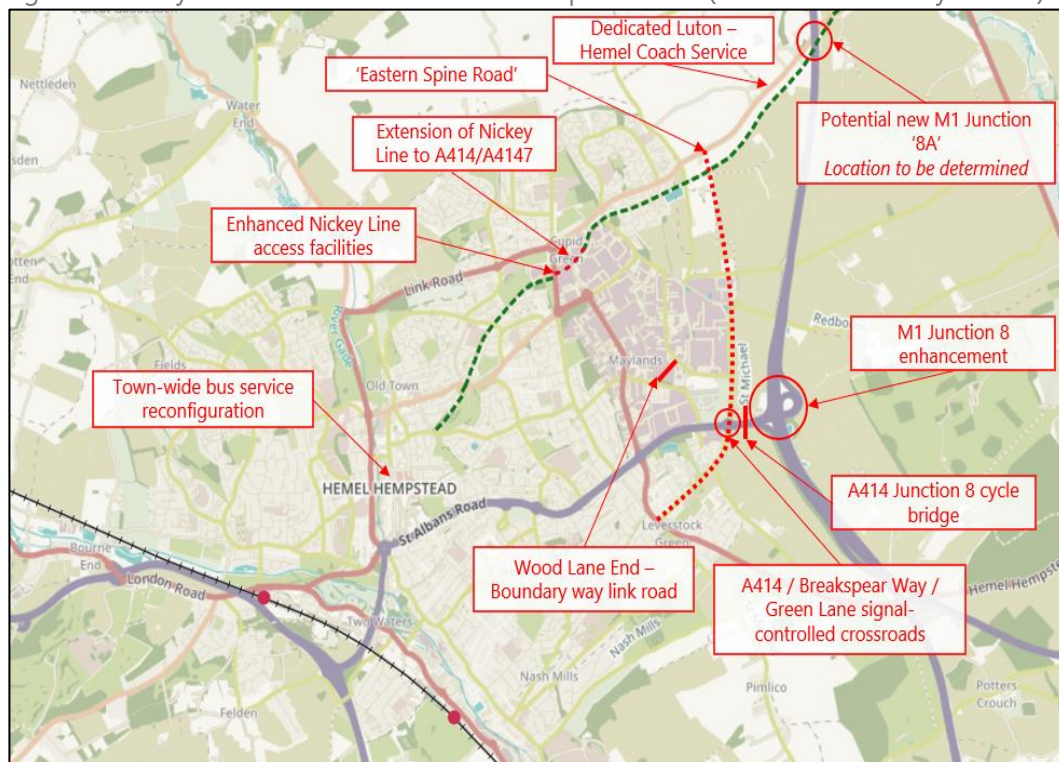


- 7.9. Public consultation for this was undertaken in late 2021/early 2022. It is understood a prospectus is currently being prepared which will be used in conversations with potential funding partners (such as DfT).

A414 Corridor Strategy

- 7.10. The A414 corridor strategy is a package of proposals designed to improve travel between the east and west of the county and reduce car dependency.
- 7.11. For Maylands and East Hemel Hempstead, the following package of measures shown in Figure 7.3 have been identified by Hertfordshire County Council.

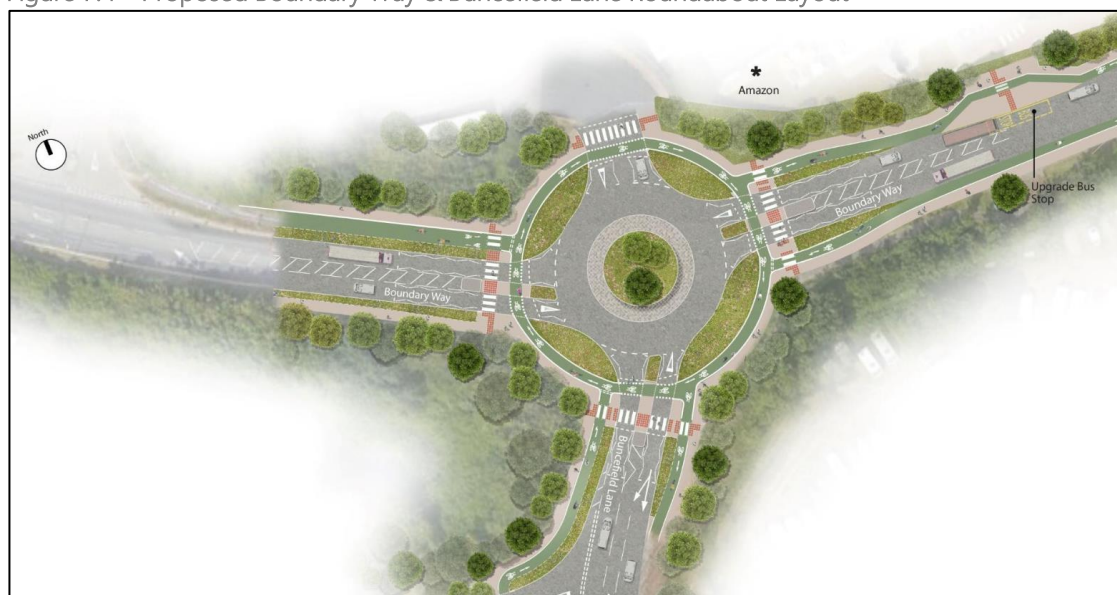
Figure 7.3 – Maylands and East Hemel Identified Improvements (Hertfordshire County Council)



Boundary Way & Buncefield Lane Roundabout

- 7.12. The proposal would see road layout changes to provide a 'Dutch style' roundabout, with dedicated space for cyclists around the entire junction, separated from the carriageway, widened footways with pedestrian crossings on all arms.
- 7.13. Proposed layout is shown in Figure 7.4.

Figure 7.4 – Proposed Boundary Way & Buncefield Lane Roundabout Layout



- 7.14. This will form part of a proposed Quietway (lower trafficked streets) running from Green Lane to the south and Nickey Line in the north as shown in Figure 7.5 below.

Figure 7.5 – Proposed Quietway



Summary

- There are proposals to upgrade M1 Junction 8 to provide additional highway capacity as part, although the status/funding of this is currently unknown.
- The HERT forms part of the county council's A414 corridor strategy and intends to provide an accessible, reliable, and affordable east-west transit system within Hertfordshire which connects people easily to where they live, work and visit. This could significantly improve the accessibility of Maylands by sustainable modes, but the status/funding of this is currently unknown.
- The A414 corridor strategy highlights a package of proposals designed to improve active travel between the east and west of the county and reduce car dependency. Funding for these is unknown at this stage.
- The proposed Quietway through Maylands should form part of the masterplan, with the Boundary Way & Buncefield Lane roundabout proposed improvements part of this.

8. SWOT Appraisal

- 8.1. Based on the above, the following strengths, weaknesses, opportunities, and threats have been identified and are presented in Figure 8.1.

Strengths
<p>Nickey Line: The Nickey Line is a fantastic asset to Hemel Hempstead and Maylands. The Nickey Line represents a structuring principle around which transport networks and an access framework can be based.</p> <p>Proximity to M1: From a commercial perspective which is critical to the success of the masterplan, proximity to the M1 at Junction 8 is a significant strength.</p> <p>Boundary Way & Buncefield Lane 'Dutch roundabout' proposals: represent a transformational shift in designing for cyclists. Whilst a significant piece of infrastructure, it represents a level of ambition.</p> <p>Ongoing investment s106 monies: The high levels of investment in the estate and planning permissions being granted mean s106 monies can be used to support infrastructure investment.</p> <p>Hemel Garden Communities Vision for positive transport change: The Hemel Garden Communities proposals represent a scale of new community building that can and will have benefit to Maylands and the town. By harnessing the positive vision setting in transport terms that is required by Garden Communities, Maylands can look to benefit in kind.</p> <p>Buncefield Lane into Cherry Tree Lane: is another great asset for the formulation of an active movement corridor to connect into the future Hemel Garden Communities.</p>
Weaknesses
<p>Land sacrificed to cars or car parking: Like many employment estates, a disproportionate amount of valuable and developable land is set aside for the needs of cars. As well as economics and land inefficiencies this undermines efforts to create a more people focussed environment.</p> <p>Severance from vehicle speeds, volumes and composition: This is particularly acute on the east of the estate along Three Cherry Trees Land and Boundary Way where significant volumes of HGV's and wide carriageways act as a barrier to movement. The A414 is also a fast and hostile corridor for an urban environment where crossing opportunities are limited.</p> <p>Unfettered vehicular permeability: The site is currently highly permeable for vehicles in that almost all routes will allow general traffic to use them. This accessibility is therefore at the expense of other modes and user.</p> <p>Lack of East West connectivity for walking, cycling and public transport: Block sizes and road configurations mean that east west connectivity is limited and conflicted with the primary north / south routes.</p> <p>Poor quality walking and cycling infrastructure, particularly on east of Maylands: As a result of land uses and a lack of pedestrians and cyclists, investment in the maintenance and enhancement of walking and cycling infrastructure on the east side of the estate is extremely limited.</p> <p>Inconsistent quality of Nickey Line: Despite the Nickey Line being a strength, parts of it in its current form are also a weakness given inconsistent quality for users. Walking and Cycling connections are often only as good as the weakest part of a journey and will be enough to put off usage.</p> <p>Lack of surveillance: A lack of pedestrians and cyclists alongside a lack of active frontages and lighting mean that surveillance is low and perpetuates the low volumes of pedestrians and cyclists in the area. Along Maylands Avenue, human activity is higher and surveillance greater.</p> <p>Lack of safe and secure cycle parking: Without a cycling culture, the lack of safe and secure cycle parking is expected.</p>

Lack of cycling connectivity to railway station: The physical disconnect between Maylands and the railway network is significant and the lack of high quality local public transport or cycling routes means rail access does not reasonably exist for Maylands.

Lack of advantage for buses of cars: Whilst bus stop and service provision is relatively high, the lack of bus priority along key corridors means that buses are stuck in general traffic and have not advantage over car base travel choices.

Proximity to M1 and through traffic from wider area using Maylands to access M1: Whilst proximity to the M1 is a strength, the blight that through traffic puts on Maylands is significant. The ability to create better places and spaces is compromised by the role that Maylands Avenue in particular plays as part of the wider Hemel Road network.

Threats

Public and stakeholder perceptions around steps needed for positive change: Significant and ambitious change requires bold leadership and vision. Too swift a departure from the existing may ultimately compromise the ability to deliver change and therefore incremental cumulative gains may be needed.

Market perception on car parking need: looking backward to determine what is needed going forward has always been a failing of the planning and transport planning sectors. This is a way of thinking that is often reinforced by commercial and market expectations. A roadmap to a different set of more positive outcomes is needed but it needs to be based on both ambition but also reality.

Lack of certainty of strategic infrastructure funding: Strategic infrastructure is often uncertain. Developing strategies that avoid binary dependency on strategic infrastructure will be needed. The opportunity to frame a positive vision as part of dealing with uncertainty is considered best practice.

Continued 'business as usual' land uses: Maylands is a successful part of the Hemel economy. It would be completely reasonable that a continued level of investment in strategic scale logistics land uses could continue. However, from a transport perspective these land uses would likely create a continuation of many of the negative movement and place characteristics that currently exist.

Additional HGV traffic: Increase in logistic uses will exacerbate the number of HGV movements on the existing road network.

Opportunities

Space for delivering change: There is substantial space within the estate to deliver transport and public realm related changes. Whilst numerous constraints exist, underused or inefficient space represents an opportunity for intervention.

Appetite for Change: Maylands Masterplan Plus demonstrates that there is appetite to want better from Maylands.

32% of employees working at Maylands Business Park live in Hemel Hempstead: The opportunity to shift trips is significant given the small distances for many journeys made by car. The need for strategic infrastructure is reduced or delayed if floorspace growth can be accommodated within the trip envelope of existing.

HERT Mass Transit: Whilst uncommitted, the HERT represents the type of transformational sustainable investment that will elevate Maylands and attract different occupiers and sectors. HERT would unlock growth and provide a focal point for transport connections with enhanced access to the rail corridor and surrounding towns in the Maylands economic area. Integration with Hemel Garden Communities – infrastructure and economy

Spare Capacity at some car parks: The space consumed by the needs of the car is also a significant opportunity if holistic car parking management and provision can be explored. Dead spaces that currently exist for the storage of vehicles can and should be explored for alternative uses.

Multi-modal transport hub: Project Breakspear and the Maylands Growth Corridor Study explore the potential for a Multi-Modal Transport Interchange. Whilst the specifics need to be developed the anchoring of transport choices and modes is an important step towards access by modes other than the car and the creation of focal point for other complementary uses and secondary mobility hubs to feed into it.

Traffic management plan to support other modes: The ability to provide for other modes of transport will often simply relate to how traffic is managed. The estate currently has high degrees of vehicular permeability and access. A number strategically placed traffic management interventions can provide the foundation for more equitable access to the movement corridors through and to and from Maylands.

Mobility hubs: are means for the public to access a variety of forms of Transport in a single location. They reduce the need for car ownership or provide choices for people who may have come to work by non car modes. Further development of Mobility of a Service subscription services would see mobility Hubs as a cornerstone of the strategy. To complement the Multi-Modal Interchange Hubs, a number of secondary mobility hubs should be explored and can leverage from the HGC.

Project Breakspear: Whilst funding and timing is uncertain, the case has been developed. The opportunity from project Breakspear is not just about vehicular capacity but about how the relief afford to parts of the network can be locked in for the benefit of public transport, walk, cycling and micro mobility. Additional highway capacity will backfill and therefore, Project Breakspear must be multi-modal if it is to be funded and delivered.

Sustainable Transport Corridor: through the HGC provides an eastern orbital around Hemel Hempstead. The nature of the link is still being determined but would provide alternative transport choices that do not need to pass through the congested heart of the town.

Travel Planning: Intelligent, information and infrastructure led travel planning initiatives that make employees lives genuinely easier should be pursued. Governance arrangements and incentives would need to be established but the potential to shift short journeys needs to be managed and monitored.

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