

**CITY OF EDINBURGH
COUNCIL**

**EDINBURGH
COMMERCIAL
NEEDS STUDY:
MIXED USE
DELIVERY
DECEMBER 2020**

REF: EPS-0923-2020

Ryden



EXECUTIVE SUMMARY

01

INTRODUCTION

02

**INDUSTRIAL PROPERTY
MARKET REVIEW**

03

**REDEVELOPMENT AND REUSE
OF INDUSTRIAL STOCK**

04

INDUSTRIAL STOCK IN SCOPE

05

CASE STUDIES

06

SUMMARY AND CONCLUSIONS

EXECUTIVE SUMMARY



INTRODUCTION

This report updates Ryden's 2018 Commercial Needs Study: Industrial Property Market report for City of Edinburgh Council. It considers the potential impacts of Choice 12(A) / Option 1 in the mains issues report Choices for City Plan 2030 (January 2020) consultation document. The Choice would see the redevelopment of existing brownfield industrial sites for mixed-use to support the city's housing requirements,

Scotland's economic output fell during the COVID-19 pandemic lockdown in Q1/Q2 2020, before recovering sharply during Q3. Recovery is not complete however and current forecasts anticipate that pre-COVID levels of output may not be reached again until 2023/24. Industrial property is performing well and, while unemployment is rising and some businesses may fail, the sector entered the pandemic with high occupancy rates and has been relatively unaffected by the associated restrictions.

Edinburgh's Industrial Property

Redevelopment of Edinburgh's older industrial buildings is not a new trend. The city has been losing stock for decades as industry has declined or relocated. Waves of factories, storage buildings, breweries and printers have been lost, usually to be redeveloped for housing.

The city's current industrial property stock is 11.2 million sq.ft., directly employing around 30,000 people. The occupier base is diverse and includes a wide range of trades and services. The majority is located on the city's industrial estates, along with some back street industrial terraces and isolated units. Mapping demonstrates that Edinburgh is not a planned city, but that many industrial activities echo the city's past growth around waterways and internal road networks. The quality of the stock is basic rather than modern, with 94% comprising smaller units on low to average rents and limited adaptability or expansion potential. The majority (58%) is at least 40 years old.

Edinburgh's industrial property market performs well. Notwithstanding the ageing industrial stock, demand is strong for modern space, smaller units and on managed industrial estates. Annual take-up (sales and lettings) average 53 deals – around one each week – totalling 0.37 million sq.ft. Take-up reached 100 deals in 2014 and has since declined. This is despite a growing economy and strong demand, suggesting that limited supply (reflect in a 5.6% vacancy rate) may be suppressing or displacing demand, particularly for the smallest units below 5,000 sq.ft.

Development and Redevelopment

Approximately 0.436 million sq.ft. of new industrial property has been built in Edinburgh since 2010. This is equivalent to around 44,000 sq.ft. or a 0.3–0.4% addition to stock annually. All of the seven new developments are on the accessible west side of the city facing into Central Scotland and close to trunk roads, mainline and local rail networks and Edinburgh Airport. One development is by Edinburgh City Council and the other six are by private developers, supported by high occupancy levels and rents. Further development is planned in west Edinburgh.

Meanwhile, the city continues to lose industrial stock to alternative uses. Ryden has evaluated various sources and concludes that the long run loss of industrial stock from the city is around 50,000 sq.ft. each year. The report identifies 27 redevelopments since 2010 and a further 12 current proposals.

Redevelopment shows some concentration in the north-east of the city towards Leith, which is consistent with the location of the ageing stock. Residential use is most prominent although there are also mixed-use proposals. The majority are new-build properties rather than reuse, as many industrial buildings are physically obsolete, functionally specialist, or are simply low-rise sheds which do not lend themselves to being converted to and would not provide the correct amenity for typically residential-led reuse.

Implications of Choice 12(A)/ Option 1

The Choices document for City Plan 2030 identifies a large number of candidate brownfield sites. The majority of these sites are not industrial, including for example cleared housing land, showrooms and former hospitals.

Detailed analysis by Ryden identifies 56 industrial sites in scope for redevelopment covering 79 hectares (200 acres). This is around 29% of the total brownfield land in scope under Choice 12(A)/ Option 1. The estimated built stock on the 56 sites is 3.42 million sq.ft, meaning that around 30% of the city's current industrial stock of 11.2 million sq.ft. is in scope. The employment impacts would likely be less than 30% as the stock in scope has higher vacancy rates than the market as a whole.

The stock is locationally skewed towards the north-east of the city. Half of the sites are in the greater Leith area including Bonnington and a further 3 are in the adjoining Seafield area. Seventeen of the 56 sites are formal industrial estates or purpose-built terraces. The majority are therefore either stand-alone uses or informal groups of buildings. The 56 industrial sites are analysed into two categories:

- 40 typically older assets in areas of urban change have short to medium redevelopment prospects, potentially within the City Plan period to 2030. This is 71-72% of the total industrial stock in scope.
- 16 more modern assets are high value in their current use and either attract strong occupier demand or have occupational commitment through ownership or leases. These sites are much less likely to be redeveloped for alternative use within the next LDP period to 2030. They represent of 28-29% of the industrial stock in scope.

Taking the 40 short to medium term assets as representing the redevelopment potential with the next LDP period, and assuming that alternative demand use and development industry capacity is forthcoming, then the implied potential is for the loss of around 250,000 sq.ft. of industrial space annually to 2030. This 'supply side capacity' to lose industrial stock to alternative uses is around five times the historic rate of stock loss estimated above.

The potential stock loss rate is also around six times the current, active rate of new industrial development. A very active industrial development programme would be required to reaccommodate even a proportion of this displaced activity. More likely, larger users would continue to migrate to West Lothian and small/medium users to estates in East Lothian and Midlothian around the A720 City Bypass, as well as potentially to south Fife, alongside the accommodation of some in new premises in Edinburgh. Some reaccommodation of non-industrial service uses in affordable, secondary retail frontages or business centres could also occur depending on individual occupier needs.



01

INTRODUCTION

- 1.1 City of Edinburgh Council appointed Ryden to undertake a study to support the emerging City Plan 2030. The study is an extension to the Commercial Needs Study suite of reports¹ which Ryden produced for the Council in 2018 to meet the sectoral requirements of Scottish Planning Policy, assist the city's planning function under the current Local Development Plan and inform the Council's Edinburgh Economic Strategy.
- 1.2 Specifically, this new study:
- Updates the property market review in Ryden's Commercial Needs Study: Industrial Property Market (November 2018) report.
 - Assess the potential impacts of Choice 12(A) / Option 1 in the mains issues report Choices for City Plan 2030 (January 2020) consultation document². The Choice would see the **redevelopment of existing brownfield sites for mixed-use to support the city's housing requirements**, including potential "rapid" interventions to deliver this new development and to deal with the need for replacement industrial sites and buildings.
 - Choice 12(A) / Option 1 encompasses many urban land uses and sites across Edinburgh. The focus of this study is upon the **potential loss of industrial buildings (stock)**.
- 1.3 In this report:
- Section 2 analyses conditions in the industrial property market, with a specific focus upon Edinburgh's industrial buildings.
 - Section 3 assesses the loss of industrial buildings to alternative uses within the city.
 - Section 4 analyses the industrial locations which are in scope through being identified on Map 7 of the Choices for City Plan 2030 report.
 - A suite of case studies examining the loss or potential loss of industrial locations to alternative uses is presented in Section 5. This is complementary to the extensive list of examples in Section 4.
 - Ryden's summary and conclusions based upon this research are presented in Section 6.

¹ <https://www.edinburgh.gov.uk/cityplan2030>

² <https://www.edinburgh.gov.uk/downloads/file/26927/choices-for-city-plan-2030>

02

INDUSTRIAL PROPERTY MARKET REVIEW



MARKET OVERVIEW

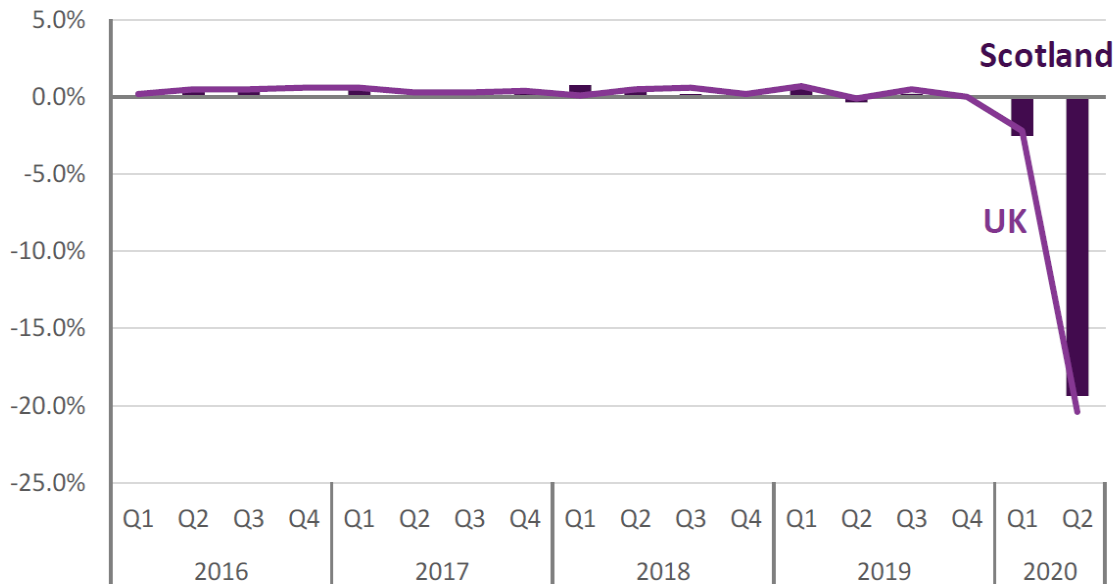
Caveat: This report is written in late 2020 as Scotland operates a tiered protection system to deal with the ongoing Covid-19 pandemic. The pandemic is having a major and still-evolving impact upon the commercial property markets both through lost economic activity and changing market needs.

Economy

2.1 During the second quarter of 2020 Scotland's economy contracted by -19.4% and the UK as a whole by -20.4% (Figure 1). Output fell in all sectors of the economy during the lockdown in Q1/Q2 associated with the COVID-19 pandemic. The largest decrease in Scotland's economic output in Q2 was in the construction sector (-41.5%). The services sector fell by -18.7% services and production by -15.7%.

FIGURE 1

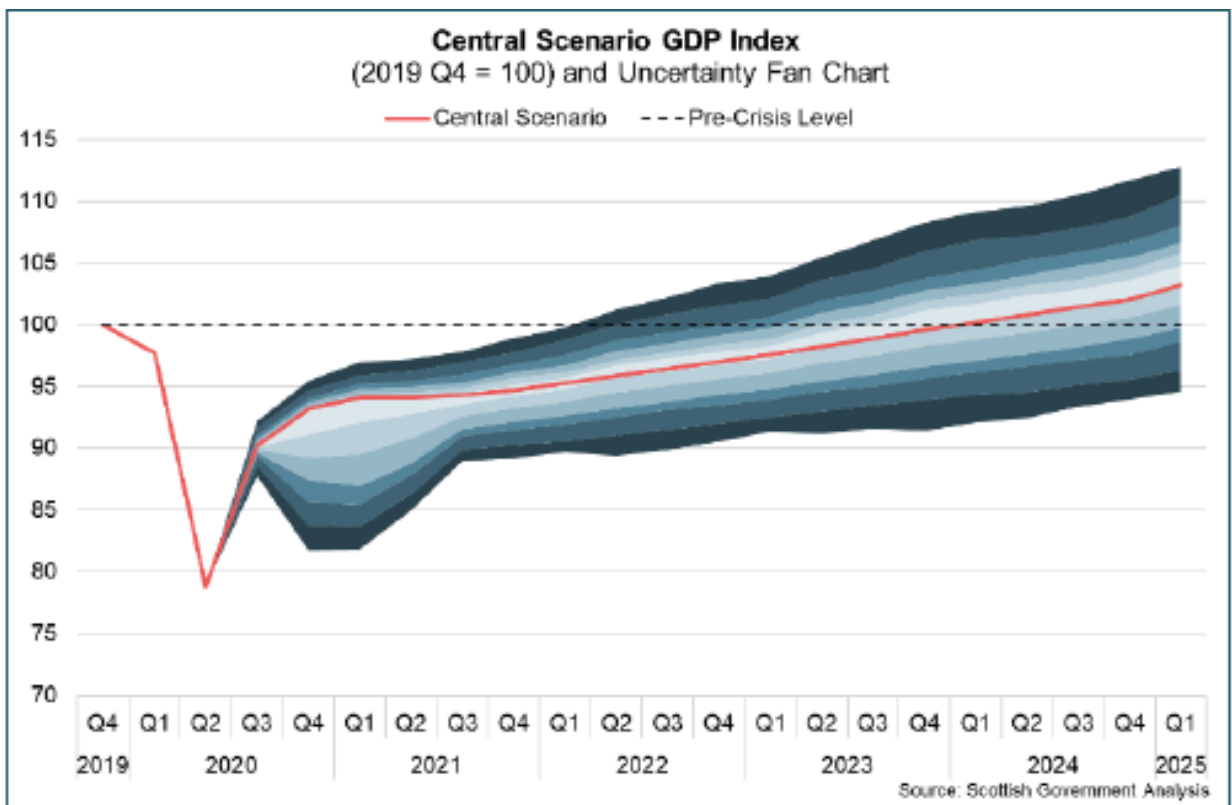
GDP growth compared to last quarter (%)



2.2 Scottish unemployment for the three months to October 2020 stayed constant quarter-on-quarter at 4.5%. This represents an increase of 0.5 percentage points year-on-year and is below the UK rate of 4.8%. It is widely expected that the unemployment rate will increase as the pandemic affects the economy, although the recent extension of the Coronavirus Jobs Retention Scheme will provide continuing support to March 2021.

2.3 Economic forecasts are now being revised to take account of the effects of the pandemic in causing a sharp economic contraction then partial recover. Figure 2 shows the Scottish Government's central scenario for future GDP growth. This includes a fan chart to reflect the level of uncertainty and risks to the economy over the medium term. Scottish GDP is forecast to strengthen but with an overall decrease of -9.8% for 2020 as a whole. Economic recovery will take place gradually reaching pre-Covid levels around 2023/2024. The property markets tend to lag the wider economy as unemployment and reduced business activity feeds through into occupancy, rents/prices and development activity.

FIGURE 2



Property Markets

2.3 The pandemic is having very different impacts upon property market sectors:

2.3.1 The **residential** sector has experienced strong post-lockdown sales, driven by pent-up demand and also by support from the extended Help to Buy Scheme, increased Land and Buildings Transaction Tax exemption threshold and further monies from the shared equity First Home Fund. There are however concerns about the sustainability of this market activity given rising unemployment and tightening mortgage lending criteria. In this context housebuilders and their residential land buyers are active but cautious.

2.3.2 Demand for **office** space pre-pandemic was strong in Edinburgh and in Glasgow city centres, although less so in the wider regions. The impact of the pandemic upon office markets is complex and evolving: social distancing requires space-planning and new access arrangements for some buildings, but business resilience is also becoming evident through mass home-working. At the moment many businesses are simply extending their current leases through this period of uncertainty, although this is likely to be temporary as businesses will establish their future needs.

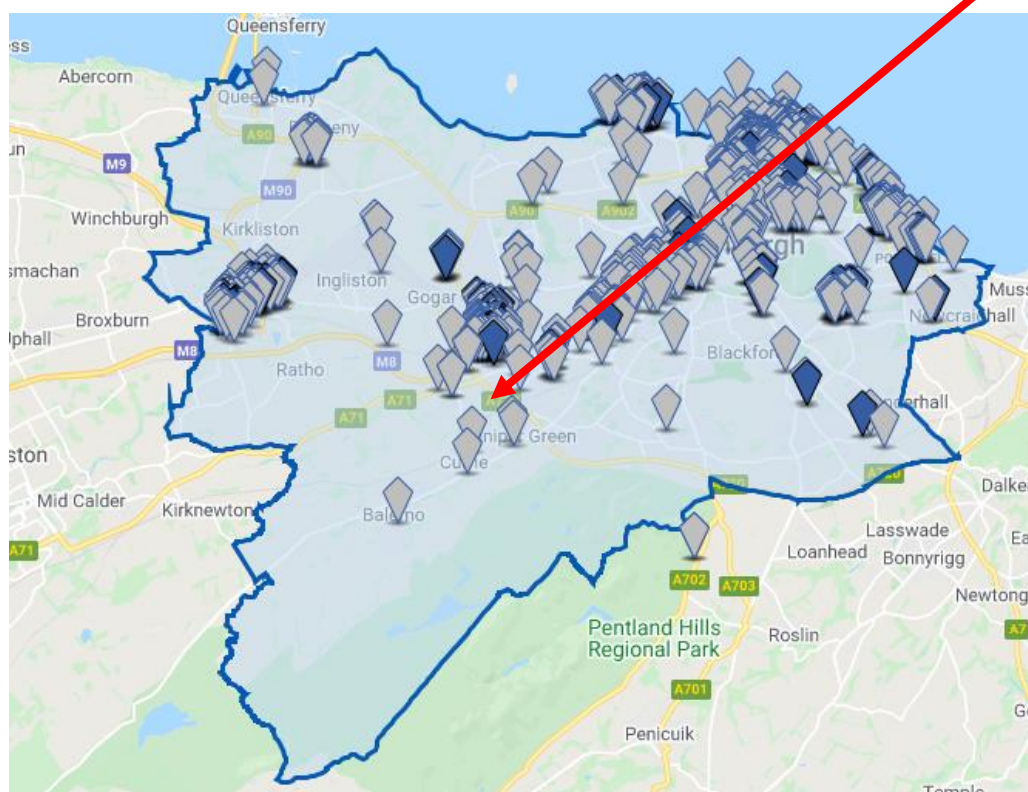
- 2.3.3 In the commercial sector, the **retail** property market has been challenged by the further acceleration of online shopping during the pandemic (which has benefits for the industrial property market in the form of logistics requirements) and by the range of operating restrictions imposed. Markets favour the largest destination city centres, malls and retail parks. For traditional town centres and secondary pitches, the future retail footprint will be much smaller and involve alternative land uses.
- 2.3.4 While some of these new commercial uses may be **leisure** in the form of cafes, bars, restaurants and hotels, that cycle was also slowing and has been halted by the pandemic, bar a few active operators such as McDonalds, KFC, Tim Horton and Costa Coffee.
- 2.3.5 The major **supermarkets** are trading well and have an established market presence with renewed growth potential in some locations. Discount food retailers Aldi and Lidl continue to expand and Co-op is expanding selectively.
- 2.3.6 Occupier confidence in Scotland's **industrial** property market improved over the past few years as the economy slowly expanded, leading to higher occupancy rates and rents. Higher industrial property rents have also been driven by the need to upgrade or replace older, obsolete premises. Notable sectors driving the industrial markets have been trade counters - although that cycle has eased recently - and logistics, in particular related to discount groceries and online retail fulfilment as noted above. There has been a resumption of small-unit terraced industrial development at prime locations around the country. Enquiries for industrial premises had dipped during lockdown but are now increasing again and developments are filling up (see below). Supply is however expected to rise as business is adversely affected over the next 6 to 12 months, although this is against the background of the aforementioned low vacancy rate (and the often poor quality of what is available).

Edinburgh's Industrial Buildings (Stock)

- 2.4 This section provides a detailed analysis of the total stock of industrial property across Edinburgh. The stock estimate is made specifically for this study and is based upon granular data for the entire city.
- 2.5 Edinburgh's stock of industrial space includes both occupied and vacant premises, ie. all existing industrial buildings. This stock changes over time through new developments to create additional premises and through loss of industrial floorspace due to demolition and often redevelopment for alternative uses.
- 2.6 Edinburgh's estimated current industrial property stock is 11.2 million sq.ft. This represents a net 3.4% reduction over 2 years from the 11.6 million sq.ft. in Ryden's 2018 report for the Council.
- 2.7 There are an estimated 1,309 individual industrial units in the city in 677 properties (some of which are sub-divided). This indicates an average (mean) size of 8,525 sq.ft.
- 2.8 The majority of this stock is located on the city's industrial estates. These include estates in Sighthill, Bankhead, South Gyle, Wester Hailes, Bonnington and Craigmillar. Industrial stock at Newbridge to the west is physically separate from the urban area. Further stock exists in stand-alone manufacturing or distribution premises and specialist locations such as Leith Docks and West Edinburgh. Beyond these formal industrial locations the city retains some back street industry in small clusters of units (many of which are in scope here) and also more isolated units among other urban commercial or residential uses.

- 2.9 Ryden's 2018 report estimated that this industrial stock accommodates approximately 30,000 jobs. This is direct employment and does not include multiplier effects among suppliers, or the roles of the premises in providing goods and services to residents and businesses.
- 2.10 The occupier base of Edinburgh's industrial properties is diverse. For example, a small multi-let industrial estate in Granton, New Broompark, has occupiers in the electrical trades, music industry, food & drink, motor vehicles, technology, cleaning services and construction trades sectors. In Ryden's experience and based upon a previous series of studies for the Council this breadth of occupier type providing a range of urban goods and services is typical of Edinburgh's multi-occupied industrial estates.
- 2.11 The map at Figure 3 shows the spread of industrial properties across Edinburgh. Edinburgh has expanded organically. A planned city would most likely have a ring of industrial locations around the A720 City Bypass and particularly in the accessible west serving Central Scotland. Instead, many industrial premises are concentrated around the city's internal, arterial roads, such as Gorgie Road, Easter Road and Leith/Seafield, with a smaller cluster in the west. Some of these locations were part of the city's growth during the 20th Century, although a central spine also appears to follow the Water of Leith and also the Union Canal, echoing earlier industrial uses such as distilleries, mills and tanneries.

FIGURE 3: INDUSTRIAL PROPERTIES IN EDINBURGH



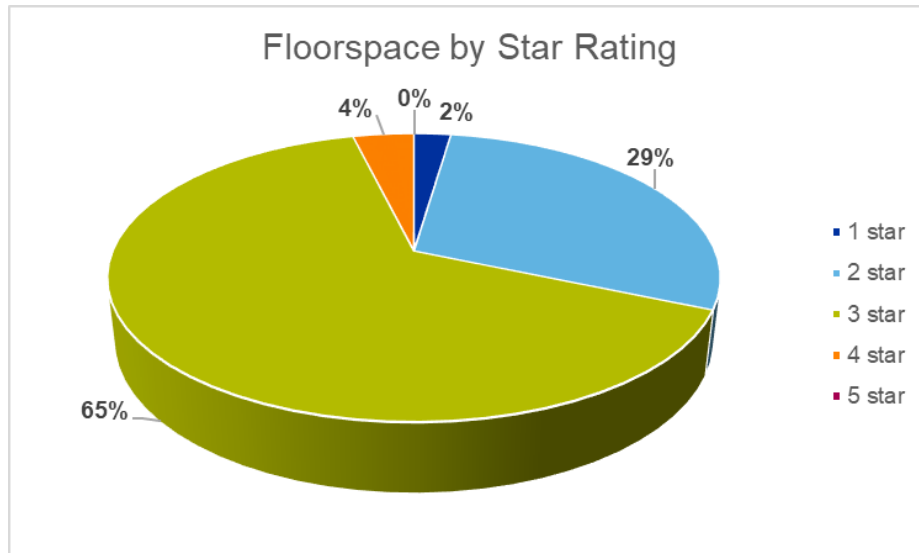
Source: Costar

- 2.12 Data provider Costar allocates star ratings to industrial buildings to reflect their quality (the ratings refer to the property only and not its location which also determines market potential). Ryden has analysed this data against Edinburgh's industrial property stock. The results are shown on Figure 4 on the next page.
- 2.13 Industrial building ratings range from:

5-star: “state-of-the-art functionality for a particular industrial use and/or the flexibility to accommodate a range of uses”, down to:

1-star: “practically uncompetitive with respects to the need of a typical industrial tenants, may require significant renovation, possibly functionally obsolete”.

FIGURE 4: EDINBURGH’S INDUSTRIAL STOCK RATED



Source : Ryden / Costar

2.14 A substantial 65% of the city’s industrial stock is classified as 3-star. This is defined by CoStar as:

“smaller structures with lower eaves heights, limited land for expansion and access, average or near average market rents”.

A further 29% of the stock is classified as 2-star, which is:

“suitable for smaller unique industrial uses, limited functionality, lowest rents in market”.

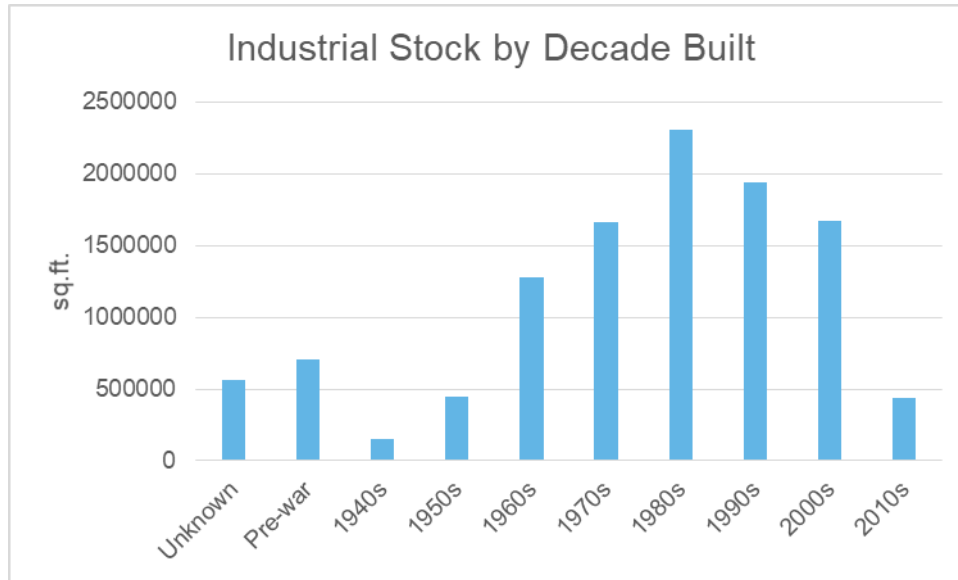
Thus 94% of Edinburgh’ industrial floorspace is of a very basic standard rather than modern. Again this reflects the evolution of the city’s industrial stock largely *within* the city as it expanded, as was illustrated on Figure 1.

2.15 Only 4% of Edinburgh’s industrial floorspace is classified as 4-star by CoStar. This is contained within 3 buildings: Geopost at Newbridge One, the Scottish Fire and Rescue hub at Newbridge, and Leonardo / Selex on Crewe Road North (pictured). Industrial buildings of this quality can be specialist in terms of modern processes, or are hybrid in terms with a mix of industrial, office and research & technology accommodation. No industrial properties in Edinburgh are rated 5-star by CoStar.



2.16 An alternative analysis of the city's industrial stock is shown on Figure 5 on the next page. This indicates the decades in which Edinburgh's industrial floorspace was built. The peak era was the 1980s, with a broad shoulder period from the 1960s to the 2000s. The majority of industrial stock is at least 40 years old, as 58% was built during the 1980s or earlier. This ageing stock is consistent with the quality ratings on Figure 4 above.

FIGURE 5: EDINBURGH'S INDUSTRIAL STOCK BY DECADE BUILT

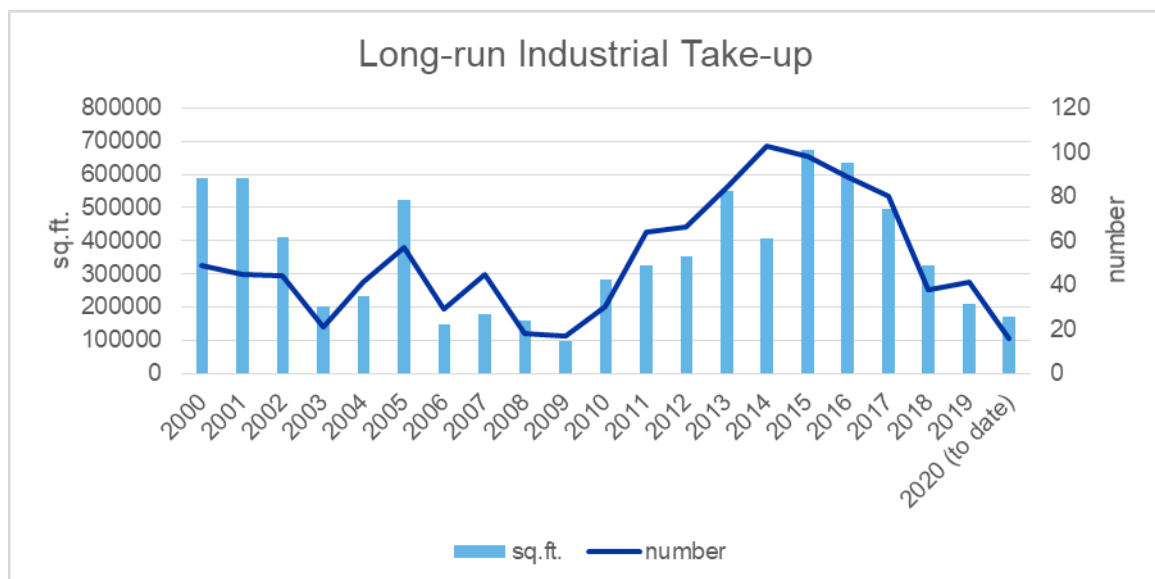


Source : Ryden / Costar

Edinburgh's Industrial Property Market

2.17 Edinburgh's long run industrial take-up (sales and lettings) since January 2000 totals 1,075 transactions across 7.55 million sq.ft. (Figure 6). Annual average take-up is 53 units totalling 369,245 sq.ft. Since the recession of 2008/09 an acceleration in take-up is evident to a peak of 100 units in 2014. Take-up then steadily declined to less than 40 units in 2018 and 2019 (pre-pandemic). As the city's economy has continued to grow since 2014, it could be inferred that limited supply may be suppressing demand.

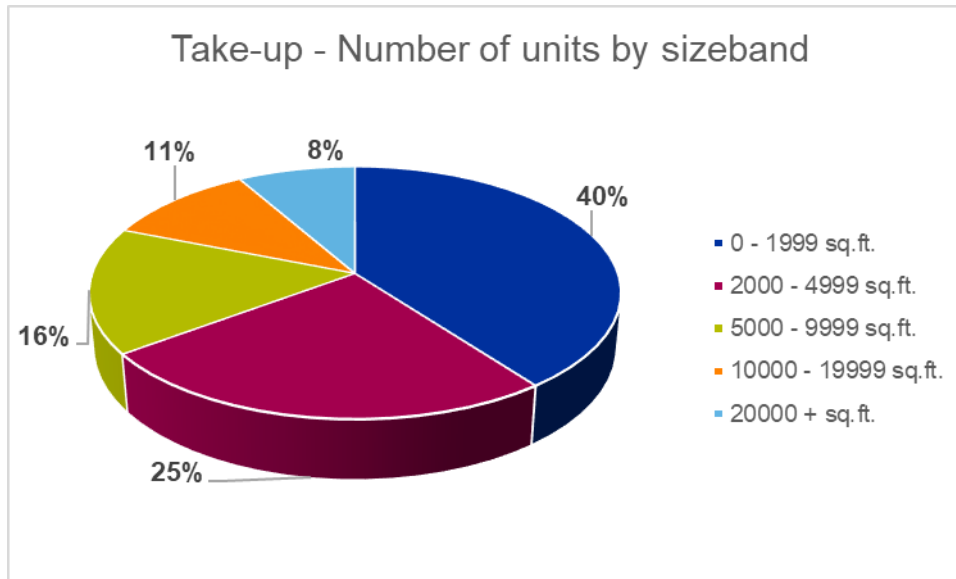
FIGURE 6: LONG-RUN INDUSTRIAL TAKE-UP



Source : Ryden / Costar

2.18 Figure 7 splits these transactions over the past 21 years by sizeband; 65% of units taken-up were smaller than 5,000 sq.ft., while 40% were smaller than 2,000 sq.ft.

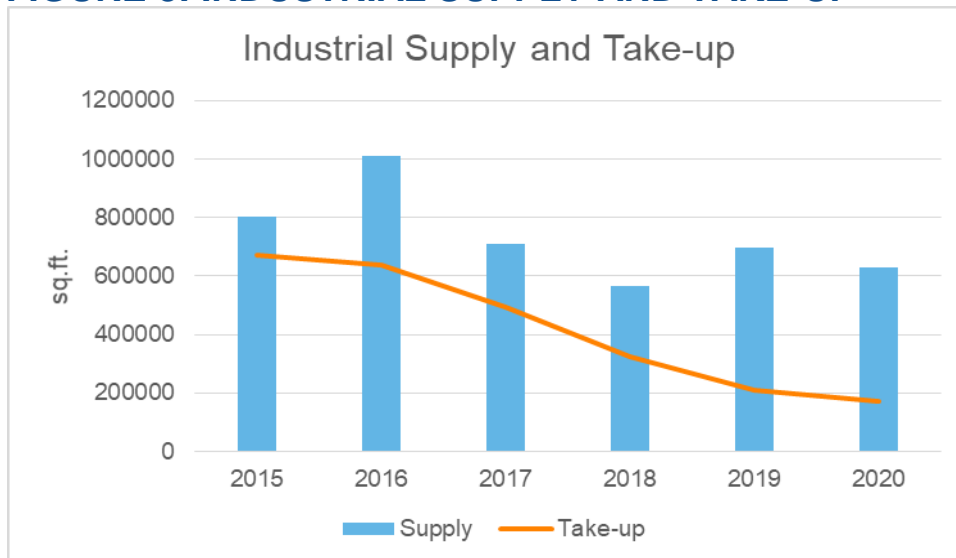
FIGURE 7: TAKE-UP BY SIZEBAND



Source : Ryden / Costar

2.19 Looking at the more recent Edinburgh industrial property market, since 2015, supply was at its highest in 2016 at c. 1 million sq.ft. (Figure 8). During 2016–18 available supply declined before rising slightly into 2019 then edging down again in 2020. Take-up continued to fall throughout the period.

FIGURE 8: INDUSTRIAL SUPPLY AND TAKE-UP



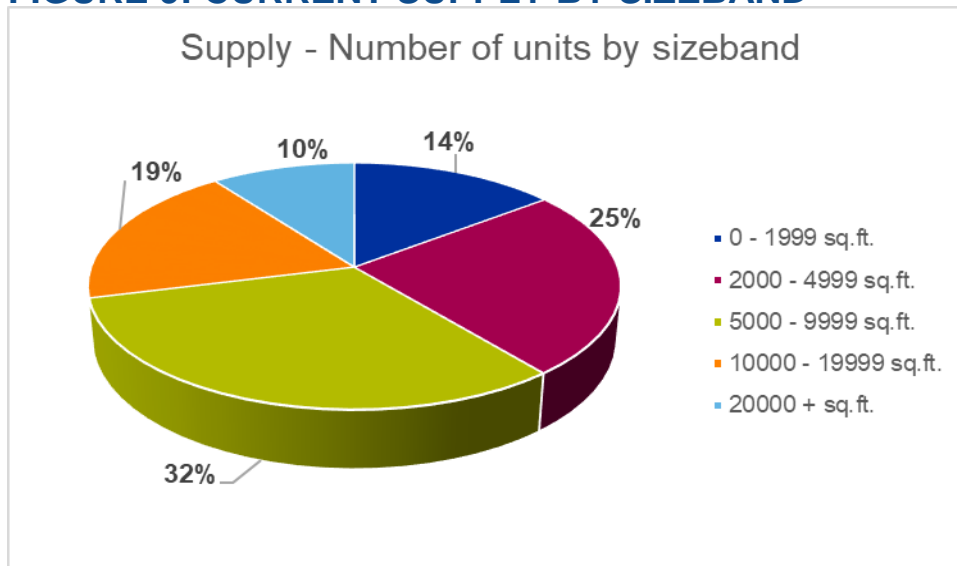
Source : Ryden / Costar

2.20 The current supply of industrial space in Edinburgh totals 0.627 million sq.ft. in 69 units (as shown on the final bar on Figure 8 above). A further 12 units are under offer. This indicates a comparatively low current city-wide industrial vacancy rate of 5.6%.

2.21 Figure 9 shows the breakdown of available industrial units by sizeband. Thirty-nine percent of current supply (27 units) is in properties of up to 5,000 sq.ft. The balance of 61% (42 units) is in larger properties.

This balance of unit sizes is the opposite of take-up at 2.17 above, where smaller units dominate, indicating a possible size mis-match, although some larger units may be sub-divisible. Notably, 55% of current supply was built since 1990 and is therefore less than 30 years old – this modern proportion of supply has doubled from 28% in 2018.

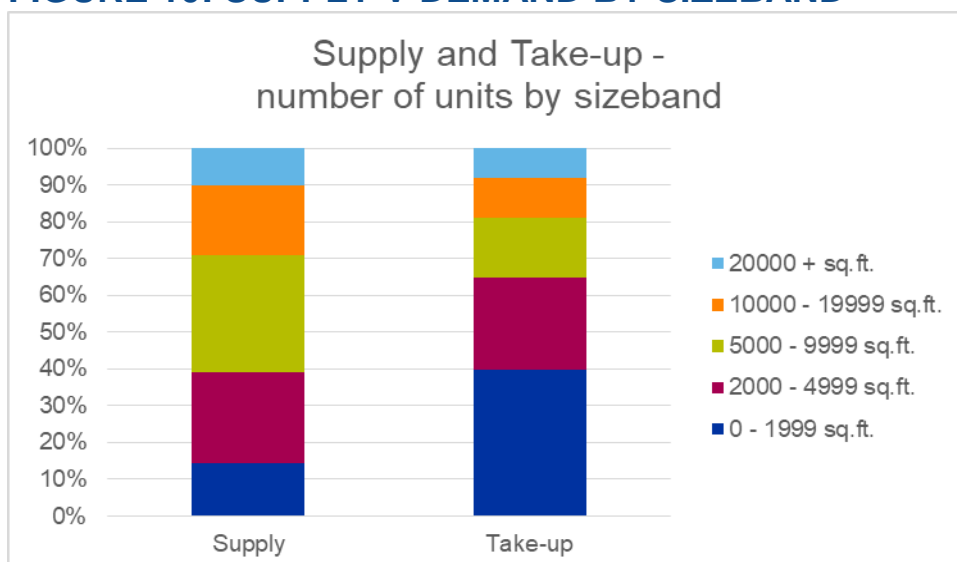
FIGURE 9: CURRENT SUPPLY BY SIZEBAND



Source : Ryden / Costar

2.22 Figure 10 compares supply of industrial units with take-up, by sizeband. This clearly illustrates that demand for the smallest units of up to 2,000 sq.ft. is around three times the level of current supply. The supply of medium to larger units in relation to demand is much greater (although this does not necessarily mean that those units are suitable in terms of location, specification and quality).

FIGURE 10: SUPPLY V DEMAND BY SIZEBAND



Source : Ryden / Costar

2.23 A selection of recent industrial transactions across Edinburgh is presented in Table 1. All of the transactions are on managed industrial estates, in particular more modern and better quality estates in accessible locations. The mix of occupiers is again very broad. Rents vary significantly by quality of property, up to prime rents for new-build industrial properties of around £10 per sq.ft.

TABLE 1: RECENT INDUSTRIAL TRANSACTIONS IN EDINBURGH Ryden / Costar

IMAGE	ADDRESS	SIZE (sq.ft.)	DETAILS
	Unit H Queen Anne Drive, Lochend Industrial Estate, Newbridge	11,419	Let in July 2020 at £3 per sq.ft.
	Unit 4b Bankhead Crossway South, Seven Hills Business Park	8,030	Let in July 2020 at £5.60 per sq.ft.
	Unit 1 Turnhouse Road, West Craigs Industrial Estate	12,529	Let in July 2020
	Unit 6 Bankhead Crossway South, Seven Hills Business Park	7,200	Let in July 2020
	Unit 11 Bankhead Crossway South, Seven Hills Business Park	3,423	Let in July 2020
	Unit 5, 29 Bankhead Terrace, Sighthill Industrial Estate	1,972	Let in June 2020
	Unit 19 South Gyle Crescent, West Edinburgh Business Park	3,283	Let in March 2020 at £9 per sq.ft.
	Unit 2/3 Bankhead Medway, Bankhead Business Parc	3,998	Let in February 2020
	Unit 1 (9A), Cliftonhall Road, Newbridge	48,739	Let in February 2020 to Tennent Caledonian on a 6-year lease at £292,434 pa.
	Block 2, 13-15 West Telferton Industrial Estate	1,886	Let in January 2020 to Planet Kuku on a 5-year lease at £9 per sq.ft.

2.24 Turning to new industrial development, a total of approximately 0.436 million sq.ft. of industrial property has been built in Edinburgh since 2010 (Table 2). This equates to approximately 44,000 sq.ft. of new development annually, equivalent to around a 0.3–0.4% addition to stock. All of the new developments are on the accessible west side of the city facing into Central Scotland and close to the trunk roads, mainline and local rail networks and Edinburgh Airport (Currie being a slightly outlying exception). One development is by City Council and the other six are by private developers. The lettings at the new Seven Hills Business Park are all recent. Occupancy rates are very high and in some cases are 100%. Industrial development in prime Edinburgh locations is financially viable and Ryden is currently concluding the sale of a site in Sighthill which will deliver around 150,000 sq.ft. of new accommodation.

TABLE 2: NEW INDUSTRIAL DEVELOPMENTS (since 2010)

IMAGE	ESTATE	DETAILS
	Seven Hills Business Park, Bankhead Crossway South, Sighthill	80,000 sq.ft. of new units from 3,000 sq.ft. Occupiers Napier University, Amazon and lettings in Table 1. Sold by Peveril Securities and Citivale to UBS Global Asset Management in 2019.
	West Edinburgh Business Park, South Gyle	Development by C & W Assets. Phase One (25,400 sq.ft.) is fully let and Phase Two (14,000 sq.ft.) is 75% let. A Third Phase will comprise 22,906 sq.ft. in six units from 3,270 sq.ft.
	East Hermiston Business Park, Cultins Road, Sighthill Industrial Estate	Development of 16 units of 1,075 sq.ft. each totalling 17,200 sq.ft. by City of Edinburgh Council in 2017. Fully let
	Corslet Place, Currie	Development of four workshop units totalling 2,000 sq.ft. by Edinburgh and Newcastle Properties. Fully let.
	Bankhead Crossway North, Sighthill Industrial Estate	Vardy Property Group development of five new trade counter units totalling 18,230 sq.ft. from 1,830 sq.ft. Fully let (one unit available on assignment).
	Bankhead Medway, Bankhead Business Parc, Sighthill Industrial Estate	Parade of five trade counter / business units totalling 25,000 sq.ft. from 2,000 sq.ft. by SRA Ventures. 85% let
	Turnhouse Court, 1-14 Brownrigg Yards/ Cliftonhall Road, Newbridge	Work began recently on a two-phased development by Northern Trust. Phase 1 totals 28,413 sq ft in 14 units from 1,045 sq.ft. The second phase will comprise 47,909 sq.ft.

Sources: Ryden

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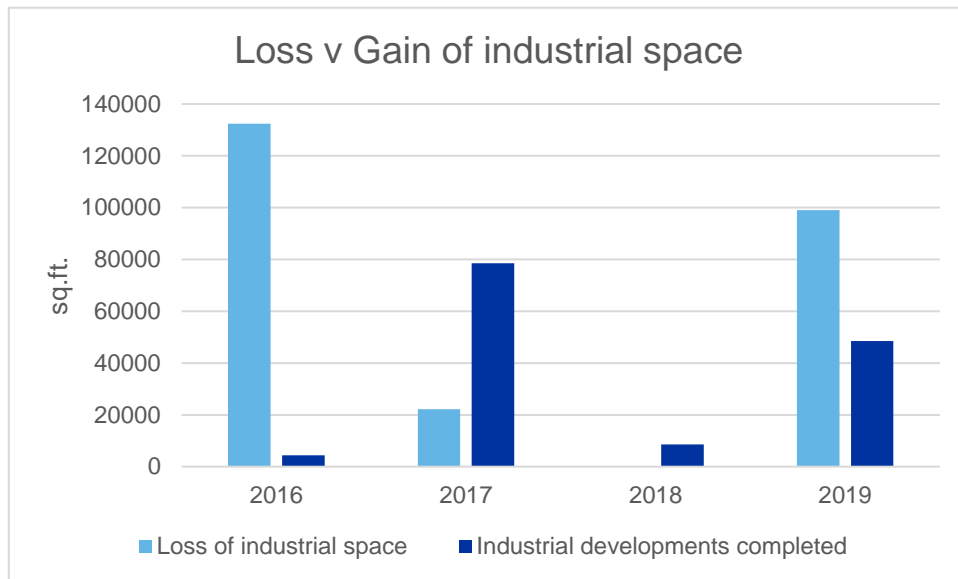
REDEVELOPMENT AND REUSE OF INDUSTRIAL STOCK



LOST INDUSTRIAL STOCK

- 3.1 Edinburgh's older industrial buildings being redeveloped is not a new trend. The city has been losing industrial stock for decades as employment sectors have declined or relocated. Waves of factories, storage buildings, breweries and printers have been lost, usually to be redeveloped for housing.
- 3.2 City Of Edinburgh Council's Industrial Development Schedule details the recent loss of industrial space. Since 2016 a total of 253,588 sq.ft. has been lost, while a further 14,316 sq.ft. could potentially be lost during 2020. This around 2.5% of the current total stock. It is equivalent to 54,000 sq.ft. or 0.5% of stock on an annual basis, or a marginally faster rate of loss than is represented by the recent rate of new development in Table 2 above.
- 3.3 Figure 11 on the next page illustrates the gains and losses of industrial stock each year:
- 2016 had the largest loss with 132,429 sq.ft. in eight developments. Four of the losses were change of use (76,995 sq.ft.) while the remaining four were redevelopment (55,434 sq.ft.). All were losses for residential (including purpose built student accommodation removing 17,222 sq.ft.).
 - In 2017 a total of 22,131 sq.ft. was lost in two developments, both of which were change of use. One for a car showroom (17,007 sq.ft.) with the other for a climbing centre (5,124 sq.ft.).
 - There were no losses in 2018.
 - During 2019, a total of 99,028 sq.ft. was lost in three schemes, all of which were redevelopments. Two were for housing (40,903 sq.ft.) and one was for a care home (58,125 sq.ft.).
 - Since 2016 a total of 139,941 sq.ft. (gross) has been developed and 22,906 sq.ft. was under construction at the end of 2019.
- 3.4 Ward 12 (Leith Walk) saw the greatest lost both in floorpace and number with 56,791 sq.ft. of industrial space yielding to four new developments, - two housing, student accommodation and climbing centre, with a further two potential losses (one of 3,229 sq.ft, the other on a site of 1.95 acres). Nearby, Ward 5 (Inverleith) lost 58,125 sq.ft. in a single redevelopment for a care home.
- 3.5 A longer time series of industrial demolitions by CoStar has records back to around 2000. The total industrial stock lost across Edinburgh according to this source is 0.774 million sq.ft. (or 1.297 million sq.ft. if the Fountain Brewery is included). This would indicate a long run stock loss rate of around 40,000 sq.ft. annually (or c.65,000 sq.ft. including the large brewery). This is not inconsistent with the Council's figure of 54,000 sq.ft. since 2016 – and confirms that the replacement of industry in Edinburgh with new uses is not a recent phenomenon.

FIGURE 11: LOSS v GAIN OF INDUSTRIAL SPACE






Sources: City Of Edinburgh Council: Industrial Development Schedules / Ryden

REDEVELOPMENT & REUSE







- 3.6 In order to fully explore the topic, this study has undertaken extensive research into the redevelopment and reuse of industrial buildings in Edinburgh since 2010. The two tables below extend over a number of pages in order to fully illustrate the trend, and show:
- 3.6.1 Redevelopment and reuse of industrial buildings which has already happened (Table 3 pp.16-20). There are twenty-seven examples listed. The nature of the buildings vary greatly – most were older, and around two thirds were single buildings rather than multi-let estates. The total stock demolished (excluding the small number of conversions) is 427,500 sq.ft. Averaging this over 10 years to 43,000 sq.ft. further validates the estimated demolition rates at 3.5 above. Residential use is by far the most common redevelopment type, followed by student housing, with some specific examples of commercial or third sector uses too.
- 3.6.2 Proposed redevelopment or reuse of industrial buildings which is yet to happen is illustrated in Table 4 (pp.21-23). There are twelve further proposals, again dominated by residential but also including mixed-use proposals. The north-east of the city dominates again although there are also proposals elsewhere and on the city periphery too.
- 3.7 The majority of the examples are redevelopments to provide new-build properties, rather than reuse (conversion). Unlike former schools, hospitals and offices, many industrial buildings are physically obsolete, are functionally specialist, or are simply low-rise sheds which do not lend themselves to being converted to typically some form of residential use.
- 3.8 Taken as a whole, Tables 3 and 4 illustrate a concentration of redevelopment activity in the north-east quadrant of Edinburgh, around the older industrial locations illustrated by the (remaining) clusters on Figure 3 (page 7).
- 3.9 The examples in Tables 3 and 4 were used to select the case studies presented in Section 5.

TABLE 3: EXAMPLES OF REDEVELOPMENT AND REUSE

ADDRESS	DETAILS	CURRENT USE
West Bowling Green Street	Units 81,800 sq.ft. Demolished c. 2012 	Private residential development by J Smart & Co comprising 74 apartments known as Waterside Walk. http://watersidewalk.co.uk/ Fully completed by end of October 2020. 
5 West Park Place	23,200 sq.ft. light industrial building on a 0.57 acre site. Was occupied by Avis Car Hire. Demolished 	Student accommodation, operated by Nido. Known as Nido Haymarket. Built 2014. 11/02165/FUL, Redevelopment of site for purpose-built student housing 
67 Marionville Road	21,500 sq.ft. former Stewarts printers works. Demolished 	Residential development by MNM of 51, 2 and 3-bedroom new homes known as Marionville. Work began in 2016 
1 Slateford Road	c. 57,000 sq.ft. warehouse let to City of Edinburgh Council. Demolished 	220 student accommodation for Napier University opened in 2015. Part of AMA's Shandon Garden development of 32 town houses and apartments. 
Lutton Business Centre, Bernard Terrace	17,675 sq.m. light industrial building. Demolished 	237 bed purpose-built student accommodation development. By Crosslane Student Developments in partnership with Unite UK Student Accommodation Fund. Built by Ogilvie Construction, completed 2017 
77 Logie Green Road	Was George Waterston & Son's print works. Conversion 	Converted recently by AMA into 'The Printhouse' 19, 1, 2 and 3-bedroom loft-style apartments. 
14 – 26 Beaverhall Road	Industrial buildings constructed in the 1960s c. 16,530 sq.ft. Demolished 	Site now part of Powderhall Gate residential development 
Abbeyhill Industrial Estate, 4 Abbey Lane	22,000 sq.ft. industrial estate purchased by Artizan in 2017 	Residential. Bellway Homes Residential development on part of the site by Bellway Homes. Three apartment blocks with a total of 139 apartments (31 affordable) Mix of 1, 2 and 3 bedroom apartments. Development complete. 16/00770/FUL. Proposal for the remainder of the site (see Table 4) 

<p>31-33 Assembly Street</p>	<p>c. 9,000 sq.ft. building, former metal works.</p> 	<p>Residential. Change of Use. Places for People</p> <p>A total of 25 affordable homes for mid market rent by Places for People. 11 homes in the converted warehouse and 14 in a new building adjacent to the grade listed warehouse. Work began on in site in June 2016 and completed by March 2018.</p> 
<p>14 – 18 Bothwell Street</p>	<p>Site formerly occupied by three warehouses c. 12,400 sq.ft. Demolished. Downing purchased the site in 2015 with planning permission for student accommodation.</p> 	<p>Student accommodation. DPI Ltd</p> <p>New Park, a student accommodation block comprises 238 beds over 6-storeys. Arcitects McLaren Murdoch & Hamilton on behalf of Downing. Opened in 2017.</p> 
<p>1 Baberton Loan, Juniper Green</p>	<p>Old, redbrick paper mill</p>	<p>Residential. Change of use. Mrs Tedesco</p> <p>Conversion of paper mill into six town houses with five or six bedrooms by Juniper Properties in 2015/16.</p> 
<p>Buccleuch Street, 46-56, Meadow Lane, 7, 9, 10, 11 & 12</p>	<p>400 sq.ft. lock ups demolished to allow development.</p> 	<p>Student accommodation. University of Edinburgh</p> <p>Student accommodation development for University of Edinburgh. Within thirteen refurbished Grade 'B' listed Period townhouses, used as University office space prior to development. Brownfield land behind the townhouses was developed as purpose-built student accommodation. Opened 2018.</p> <p>http://www.jmarchitects.net/projects/buccleuch-place-meadow-lane/</p> 
<p>171-173 Duddingston Park South</p>	<p>Industrial park of c. 39,000 sq.ft. with offices, warehouses and sheds and areas of hard standing. 11 acre linear strip (4.6ha). Sold to Clockwork Propeties in 2013</p>  	<p>Residential. Change of Use. Free Space Living</p> <p>14/00169/FUL Residential development of 186 houses and flats (with 25% affordable homes). Granted Feb 2015. Compelted 2017. Barratt Homes. EMA Architecture and Design.</p> 

<p>12 Horne Terrace</p>	<p>Motor repair and coachworks. Building c. 7,700 sq.ft. Sold to S1 Developments in 2014.</p> 	<p>Residential. S1 Developments.</p> <p>Architects CDA Group. 17 homes in a mix of four and five storey apartment building with adjacent three storey townhouses. Range from studios to four bedrooms. 14/03752/FUL Demolition of existing industrial unit and erection of 17 residential units and 1 commercial unit</p> <p>https://www.cda-group.co.uk/architecture-projects/horne-terrace-edinburgh/ https://s1developments.com/horne-terrace/</p> 
<p>23 Dunedin Street</p>	<p>5,000 sq.ft. warehouse built in 1996.</p> 	<p>Change of use, climbing centre. Mr Reuben Welch</p> <p>Change of Use. Converted into Alien Bloc an indoor bouldering centre. Opened in 2017.</p> 
<p>29 Beaverbank Place</p>	<p>Redundant and unsightly gap site at 29-30 Beaverbank Place. 0.43 acre site. Warehouse of 7,900 sq.ft.</p>  	<p>Residential. Beaverbank Place LLP</p> <p>13/03575/FUL Demolition of all buildings on site and erection of 41 flats... Scott Hobbs Planning for Beaverbank Place LLP</p>  <p>41 homes for social rent in Beaverbank Place, built for Dunedin Canmore, part of Wheatley Group, by CCG (Scotland) Ltd. Mix of one and two-bedroom flats with open-plan living environments. Built with the help of funding from the Scottish Government and the City of Edinburgh Council. Completed end 2019</p>
<p>Bonnington Mill, 70-72 Newhaven Road</p>	<p>Site of multi-let offices and workshops c. 16,000 sq.ft.</p> 	<p>Residential. Queensberry Properties</p> <p>Under construction. 49 apartments in 3 buildings by Queensberry Properties. Includes 36 for private sale and 13 affordable apartments. 1, 2 and 3-bedroom properties.</p> <p>https://www.queensberryproperties.co.uk/projects/bonnington-mill/</p> 
<p>100 Telford Road</p>	<p>6,555 sq.ft. light industrial unit built in 1980. Was occupied by G4S Cash Solutions. Demolished.</p> 	<p>Care Home. Northcare (Scotland) Ltd.</p> <p>Northcare Manor, a purpose-built 74-bed luxury care home opened in Summer 2019.</p> 
<p>24 West Bowling Green Street</p>	<p>c. 36,000 sq.ft. of industrial buildings.</p> 	<p>Heron Court, specialist new build 24-apartment development for people with a range of learning and physical disabilities by property development and investment company HBV. Development started by Marshall Construction in summer 2019.</p> 

<p>396 (- 400) Gorgie Road</p>	<p>c. 3,200 sq.ft. buildings, was occupied by Chamic Industrial Services</p> 	<p>The Mill House student accommodation by Weare Homes for Students. Opened in 2016. Acquired in 2018 by 90 North Group and Malaysian pension fund KWAP for £25.1m (5.8%)</p>  <p>12/03392/FUL Demolition of existing buildings and change of use from contractor offices and yard, vet surgery, redundant outbuildings to form mixed use development of student housing, retail and office space with associated parking, cycle storage and landscaped ground.</p>
<p>4 - 6 Murano Place</p>	<p>c. 20,000 sq.ft. warehouse / trade centre. Demolished in 2013</p> 	<p>Student accommodation. Murano House, houses 272 students. Operated by Unite.</p> 
<p>127 Trinity Road</p>	<p>5,500 sq.ft. workshop / garage</p> 	<p>Residential development of 5 contemporary homes by Dundas Developments.</p> <p>16/04449/FUL Variation to permission ref: 15/01788/FUL. Modification to the design of five houses</p> 
<p>East Market Street, Caltongate</p>	<p>18,411 sq.ft. industrial warehouse built in 1953.</p> 	<p>Part of the New Waverley scheme. Redeveloped by Artizan. This site is home to two hotels : Hub by Premier Inn (121 bedrooms) and Premier Inn (127 rooms). Built 2015 and 2016</p> 
<p>5 New Street, Caltongate</p>	<p>Originally a Victorian school building (16,625 sq.ft.) but became Canongate Venture, a place for small businesses and workshops in 1981.</p> 	<p>Part of the New Waverley scheme. Currently being converted into a 21-bedroom boutique apart-hotel. Currently for sale.</p> <p>https://www.knightfrank.co.uk/properties/commercial/for-sale/the-canongate-5-new-street-new-waverley-edinburgh-eh8/HTL190007</p> 
<p>30 South Fort Street</p>	<p>c. 34,000 sq.ft. industrial warehouse built in 1965. Occupied by James Blake & Co Engineers.</p> 	<p>Redevelopment. Blake Property Co & BDW Trading</p> <p>16/03218/FUL Demolish existing buildings. Form new residential development... Granted May 2019. Intended start date for initiation of development 1 Sept 2020. Barratt Homes to develop 115 homes in a mix of one, two and three bedroom apartments and colony homes. EMA Architecture.</p> 










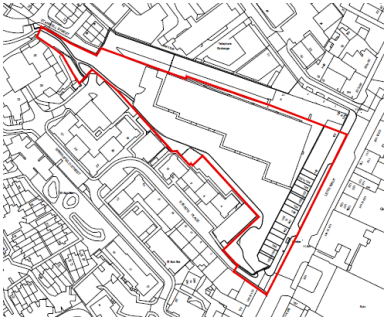















<p>7 Swanfield</p>	<p>c. 5,700 sq.ft. industrial warehouse built in 1985. Unoccupied. Formerly occupied by Veitchi Flooring Specialists.</p> 	<p>Change of Use. Upward Mobility.</p> <p>Planning permission granted in December 2019 for change of use for the Upmo Performing Arts Hub. Upmo is an Edinburgh-based charity providing support and opportunity for adults with learning disabilities</p> 
<p>Simon Court, 3 Simon Square</p>	<p>Workshop of c. 2,500 sq.ft. was owned by JR Mill Roofing Services. Sold in 2018 for £350,000</p> 	<p>Fraser/Livingstone Architects on behalf of Seven Hills Property. Six residential apartments in a three and four story 'tenement'. 19/03967/FUL Demolition of existing builders yard and erection of new residential tenement of 6 x flatted apartments. Granted.</p> <p>https://fraserlivingstone.com/work/simon-court-tenement-edinburgh https://sevenhillsproperty.co.uk/properties/simon-court/?portfolioCats=6%2C5%2C4</p> 

TABLE 4: PROPOSED REDEVELOPMENT AND REUSE

ADDRESS	DETAILS	CURRENT USE / PROPOSED USE
<p>67 Salamander Street</p> 	<p>Motor sales - Redpath & Mclean Motor Company Limited. Buildings of 1,950 sq.ft. plus yard built in 1989.</p>	<p>Proposal: 20/03799/PAN Demolition of existing buildings and erection of mixed-use flatted residential and commercial development with associated access, car parking, greenspace and ancillary works. Applicant: John G Russell (Transport) Limited</p> 
<p>Bonnington Road Lane</p> 	<p>Former John Lewis Depot of c. 58,000 sq.ft. on a 4.8 acre site. Built in 1949.</p>	<p>20/01932/FUL Demolition of existing buildings and redevelopment comprising build-to-rent residential accommodation, commercial uses, associated landscaping and infrastructure. Awaiting Assesment.</p> <p>Sold in 2019 to Platform (c£9 million) for a 527-unit residential build-to-rent development and four commercial spaces comprising retail and offices.</p> <p>https://platform-edinburgh.co.uk/</p>
<p>Abbeyhill Industrial Estate</p> 	<p>22,000 sq.ft. industrial estate purchased by Artizan in 2017</p> 	<p>20/02827/FUL Residential 66 flats and student accommodation development, with commercial/community unit, associated ancillary uses, landscaping, parking and infrastructure. Awaiting assessment.</p> <p>Development proposed by Artizan Real Estate Investors on part of the site for student housing in association with Unite Students.</p> <p>https://www.abbey-lane.com/</p>

<p>Steads Place, Leith</p> 	<p>Ageing industrial estate comprising and office space. Two-storey 1930s' sandstone building facing directly on to Leith Walk.</p>	<p>Redevelopment of 2.9 acre site by Drum. Previously refused.</p> <p>Proposal of Application Notice (PoAN) submitted 8th April 2020 (20/01447/PAN). Proposed demolition of industrial units and development of residential led uses, retention of existing 2-storey sandstone building with potential to include mix of uses with associated landscaping, open space and infrastructure. EIA screening request recorded.</p> 
<p>48 - 50 Iona Street</p> 	<p>Currently occupied by a class 6 storage and distribution warehouse, including a small front-of-house office on Iona Street. Owned by Walker Commercial and occupied by Walker Woodstock Building Centres. Built in 1983 buildings total 47,845 sq.ft.</p>	<p>Proposal in 2019 for 60 private flats, 20 affordable flats (Port of Leith Housing Association) and 86 student flats. Watkin Jones Group is the applicant, contractor and operator. 20/00972/FUL Demolition of the existing buildings, construction, public realm improvements, hard and soft landscaping and associated infrastructure. Awaiting decision.</p> 
<p>254 Leith Walk</p>	<p>Warehouse to rear of tenements. Site are c. 12,800 sq.ft. with a warehouse building of 3,175 sq.ft. Owned and occupied by George Duff Antiques</p> 	<p>Proposals to demolish the warehouse and build 10 flats in two 3-storey buildings.</p> <p>19/01810/FUL : Demolition of existing warehouse. Erection of residential development comprised of one and two bedroom flats, 10no. in total plus associated access and landscaping. Awaiting approval.</p> 
<p>69-71 Marionville Road</p>	<p>0.8 hectare site with two vacant business units and former factory c. 47,000 sq.ft.</p> 	<p>Planning application by Dandara for residential development. 19/04508/FUL Demolition of two existing business units and erection of a residential development comprising four apartment buildings, a terrace of mews houses, associated car parking, car port and associated landscaping. Awaiting decision.</p> 

<p>Constitution Street and John's Lane (111-115 Constitution Street)</p> 	<p>Disused vehicle repair workshop c. 7,500 sq.ft.</p> 	<p>19/05184/FUL Proposed Change of Use and Redevelopment of 111 Constitution Street and the existing derelict warehouse at 18-25 John's Lane to create an overall development comprising of 39 residential units. Additionally, two commercial units are proposed fronting Constitution Street. Awaiting assessment.</p> <p>39 new-build residential homes and the disused warehouse will be converted to 20 apartments. Architects Covell Matthews. Applicant K & S Mir Ltd</p> 
<p>1-5 Baltic Street and 7-27 Constitution Street</p> 	<p>B-listed former gasworks at 1-5 Baltic Street and scrapyards at 7-27 Constitution Street.</p> <p>Much of the site has been unused for over 10 years and is in increasingly derelict condition. One of the historic buildings has been on the Buildings at Risk Register since 2011.</p>	<p>Sundial Properties Limited for a mixed-use development including the conversion of the B-listed former gasworks at 1-5 Baltic Street and the re-development of the scrapyards at 7-27 Constitution Street. Proposals for the site include 18 affordable homes, 66 HMO apartments (comprising 558 postgraduate student bedrooms), two separate 2-bedroom warden flats, four affordable shop units, and café & digital co-working space.</p>  <p>20/00465/FUL Proposed mixed use development comprising partial demolition of existing buildings, purpose built student accommodation, affordable housing, office units, cafe and public digital co-working space. Planning application approved October 2020</p>
<p>Saica Pack /SCA Packaging 1 Turnhouse Road</p> 	<p>Land currently for sale, 15.4 acres. Site has been identified in emerging City Plan 2030. Saica Pack will be vacating the facility in Q4 2021. Anticipated vacant possession in Q1 2022. Gateway site in West Edinburgh.</p>	<p>Gateway development opportunity. Marketed as suitable for a range of uses including Residential, BTR, Hotel, Retail and Retirement Living.</p>
<p>15a Richmond Terrace</p> 	<p>0.204 acres, with a single storey garage, built in 1971, and yard. Currently under offer. Occupied by Scott of Dalry, car repair centre</p>	<p>For sale for residential development.</p> <p><i>Application 19/01321/FUL Proposed student accommodation of 38 studio apartments. Was withdrawn. No live application.</i></p>
<p>543 Gorgie Road</p> 	<p>c. 17,000 sq.ft. light industrial / storage building. Demolished.</p>	<p>Site acquired by S Harrison Developments Ltd. 248 bedroom student accommodation proposed.</p> <p>19/01795/VARY Erection of purpose built student accommodation, ancillary uses and associated landscaping and infrastructure.</p>

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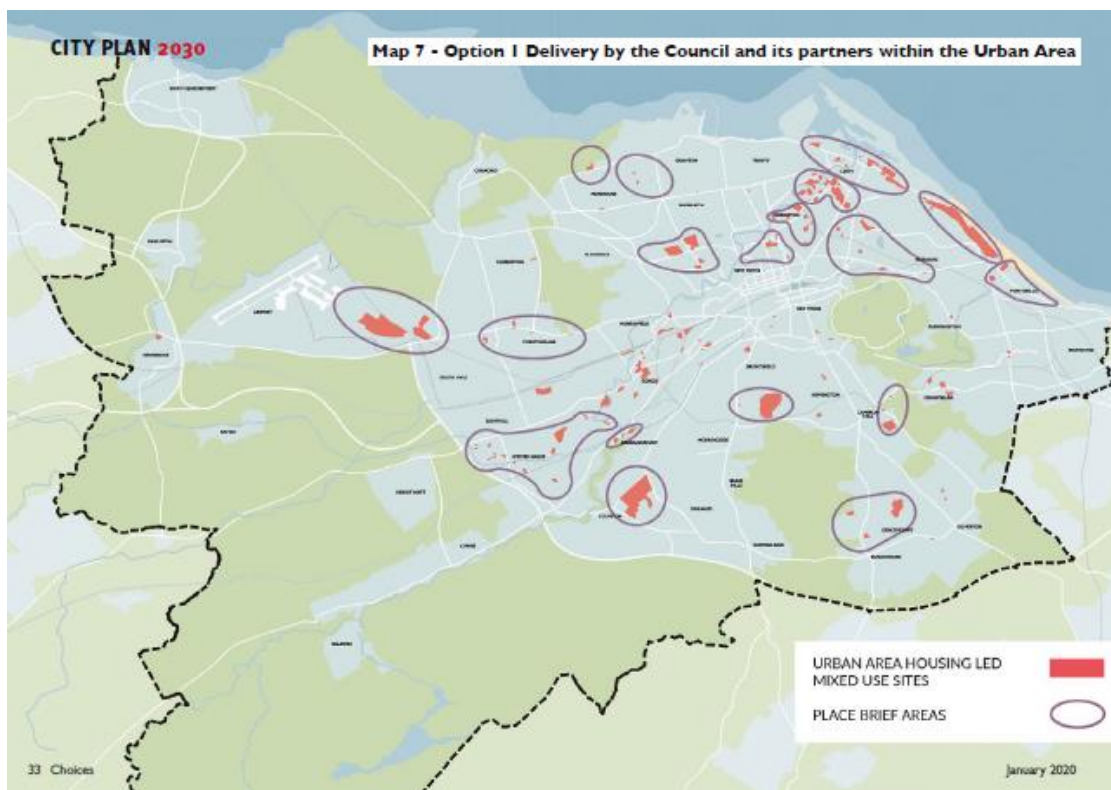
INDUSTRIAL STOCK IN SCOPE



APPROACH

- 4.1 The Choices document for City Plan 2030 identifies a large number of candidate brownfield sites for the potential delivery of housing and mixed use development (Figure 12). The majority of these sites are not industrial, including for example smaller sites such as former community centres and gap sites, and larger sites such as cleared housing land, car showrooms, emergency services and former hospitals.

FIGURE 12: BROWNFIELD SITES



Source: as above on map



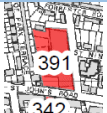

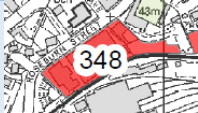

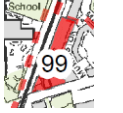

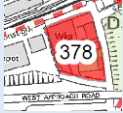

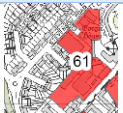



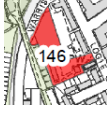


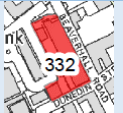

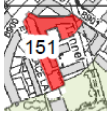




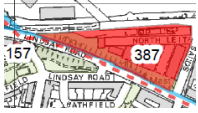

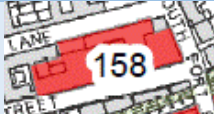



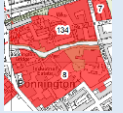

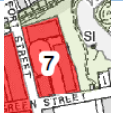
- 4.2 The Council provided Ryden with eighteen sub-maps in order to allow the identification of individual industrial sites. Only those industrial sites with buildings were included in the exercise. This is the industrial stock which may be vulnerable to redevelopment for alternative uses if the Choice is implemented.
- 4.3 The industrial stock scope was identified through inspection of the sub-maps, market knowledge and additional map-based assessments. Each site's status is based upon observed use rather than formal planning designations. A later check against a spreadsheet list of Map 7 employment sites held by the Council's Economic Development department validated the large majority of sites and allowed a small number of queries to be clarified.


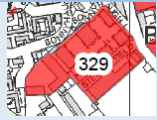



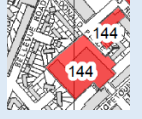

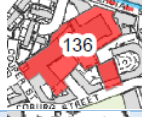

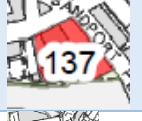



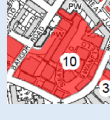



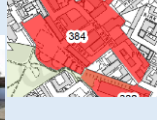



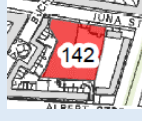





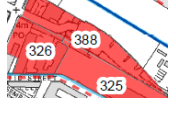


SITES AND STOCK IN SCOPE


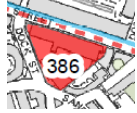





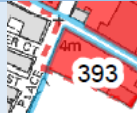

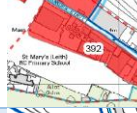











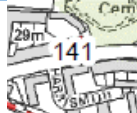

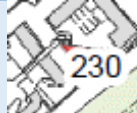

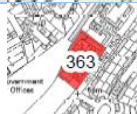
4.4 The exercise has identified **56 industrial sites** in scope. The sites are listed in Table 5 which is presented over four pages.

TABLE 5: INDUSTRIAL SITES IN SCOPE

NO.	LOCATION	DESCRIPTION	PHOTOGRAPH	MAP
88	Polwarth Place/ Temple Park Crescent	Grahams & CTD trade counters on residential streets of canal		
89	Watson Crescent Lane	garages in mews location behind flats n of canal		
224	Lower Gilmore Place (fronting canal)	old industrial/ motor repair/ possible offices bookended by flats in redeveloping canalside area		
124	Ratcliffe Terrace	Causewayside industrial units		
355	Ratcliffe Terrace	Jewson Timber and Causewayside Garage		
6	Broomhouse Road	Broomhouse Workspace / New Lairdship Yards		
43	Stenhouse Industrial Estate	Large estate comprising trade counters, cash-&-carry, motor trade occupiers		
195	Longstone Road	Backlying haulage facility, temporary buildings and parking		
361	Murrayburn Road	Large estate including Edinburgh Building Services, building supplies, open storage, charging station. Beside no 37 below		
37	Murrayburn Road	33 Murrayburn Road is council depot. Plus units at Dumbyrden Drive. Beside no 361 above		
38	Dumbryden Road	Dumbryden Industrial Estate, small urban services and industrial occupiers		
282	Turnhouse Road	West Craigs Industrial estate, medium sizes users eg. garage services, trades		
281	Turnhouse Road	Saica Pack		

391	St Ninians Road	Vehicle services units behind Magnet showroom	 	
348	Roseburn Street	Garage, Lyceum workshop, motor repair, JB MacLean (adjacent to 349); excludes modern units		
99	Gorgie Road	Tynecastle Garage and backlying older units next to railway		
378	Russell Road	Industrial & land - business centre, stonemason, tool hire; small estate; excluding Council depot		
61	Stevenston Road	Mix of retail warehousing Richard F Mackay, trades Better Bathrooms, Wolsley trades, National Tyres (Class 5)		
78	Peffer Bank/ Duddingston Road West	Holyrood Business Park - major older multi-storey industrial complex, multi-occupied		
146	Warriston Road	Older industrial complex - Lady Haig's Poppy Factory		
332	Beaverhall Road	Older industrial building with offices above Beaverhall House	 	
151	Eyre Place / Eyre Place Lane	Jewson Timber		
222	Station Road, Ratho	Estate with motor services occupiers	 	
387	North Leith Sands	Terraced small unit industrial estate		
158	Pitt Street	Stand alone older industrial workshops and garages		
8	Bonnington Road	Bonnington Mill, Industrial Estate, Biscuit Factory and House. (sites 8 & 134 conjoined as they are split by Water of Leith)		
134	Anderson Place to Newhaven Road	Extensive older & some modern industrial buildings (sites 8 & 134 conjoined as they are split by Water of Leith). Part of wider Bonnington area.		
7	South Fort/West Bowling Green Street	South Fort Trade Park - trades estates, modern with Dulux, Howdens		

329	Newhaven Road	Stewartfield Industrial Estate, small terraced units.		
9	Newhaven Road/ Broughton Road	Bonnington Trade Park - Johnstone's paint, cloth shop		
144	McDonald Place	Older industrial building, some bays in car hire use. 30 McDonald Place is cash & carry, 21 McDonald Place is car hire		
136	Coburg Street	Older industrial buildings, partly redeveloped with flats		
137	Sandport Place	Trade counter buildings		
138	Bangor Road	Older high bay James Pringle building, yard and modern units incl. Edinburgh Arts		
10	Bangor Road/ Burlington St/ Swanfield	Extensive older industrial / mixed buildings and small units (Swanfield Industrial Estate)		
385	Bonnington Road	Corunna Place Industrial Estate - small terraced units		
384	Bonnington Rd/ Tennant St/ Jane St	Extensive older industrial terraced (including Jane Street Industrial Estate) and units and larger modern stand alone manufacturing buildings		
382	Leith Walk / Steads Place	Extensive industrial buildings and bays subject to current planning proposal		
142	Iona Street	Thornbridge Building Products bays, yards and office - 'Walker Woodstock Building'. Plans for student accommodation here		
112	Albert Street	City Plumbing trade counter and yard		
326	Baltic Street / Constitution Street	Older industrial and trades		
388	Tower Street	Tower Street terraced industrial units and Edinburgh car pound		
325	Salamander Street / Bath Road	Large open sided industrial units and yard. (Site proposals for residential redevelopment)		

386	Commercial Street	Kinloch Anderson industrial and trades unit		
389	Salamander Street / Albert Road	Older industrial buildings with yards (single large unit on Albert Road)		
390	Timber Bush	Modern and older industrial buildings, motor vehicle services, enclosed by flats.		
393	Salamander Street / Salamander Place	Scrapyard (Dalton)		
392	Salamander Street	Extensive area with storage, trades, terraced units, bulky goods retail		
227	Seafield Road	SIG Roofing Supply outlet and yard		
12	Hawkhill Avenue / St Clair Street	Large trades units (Speedy Hire, Plumb Centre), terraces and accident repair centre (L&I Eaton)		
336	Norton Park / Rossie Place	Terraced units (Global Foods, Holland House electrical)		
83	Abbey Lane	Terraced trades units. Part already redeveloped and proposals for remainder		
383	Seafield Road	Seafield Road north and south from Seafield Street (west) Kings Terrace (east) - largely motor vehicle showrooms, bus depot, dog & cat home; trade counters on Seafield Way		
141	Albion Road	Small older industrial terrace occupied by upholstery business		
230	Broughton Road	Small industrial unit.		
363	West Gorgie Park Industrial Estate	Small terraced industrial, services, trades units		

Sources: photographs CoStar, Google maps

- 4.5 Analysis of these 56 sites reveals:
- 4.5.1 A total estimated land area of **79 hectares (200 acres)**. This represents 29% of the total 274 hectares contained on all of the brownfield sites (in all uses) included on Map 7.
 - 4.5.2 The estimated built stock on the 56 sites is **3.42 million sq.ft.** ³ This means that around **30% of the city's current industrial stock** of 11.2 million sq.ft. is in scope for potential removal and redevelopment for alternative uses, if the Choice is implemented.
 - 4.5.3 By extension it could be suggested that 30% of the estimated 30,000 jobs within this stock could also be affected by redevelopment, however the vacancy rate of this stock is 13% which is more than double rather than the market-wide figure of 5.6% noted earlier. This is the formal vacancy rate and there may be additional under-occupancy within some of the older, obsolete buildings.
 - 4.5.4 The stock is locationally skewed towards the north-east of the city (see Figure 3, page 7). Twenty-nine (50%) of the sites are in the greater Leith area including Bonnington and a further 3 are in the adjoining Seafield area.
 - 4.5.5 Seventeen of the 56 sites are formal industrial estates or purpose-built terraces. The majority are either stand-alone buildings or informal groups of industrial (and other buildings) within the urban area.
 - 4.5.6 The majority of stock in scope is at least 40 years old, with 66% built during the 1980s or earlier (with nearly 50% of the total built during the 1970s and 1980s). By quality 42% of the stock is rated as 2-star and 39% rated as 3-star; no properties are rated as 4 or 5-star.
- 4.6 Overall, the **industrial stock in scope on the brownfield sites on Map 7 is ageing, contains more poorer quality premises, is of less formal layout and attracting less occupier demand** than the Edinburgh industrial property market as a whole - but there are some exceptions where stock which is well-suited to market needs is full and popular (and attracts high rents).

REDEVELOPMENT POTENTIAL

- 4.7 In order to inform the Choice for City Plan 2030, the industrial sites in scope have been assessed into two broad categories:
- 4.7.1 **Short to medium term redevelopment potential.** These are typically older, potentially poorer quality industrial buildings in urban areas of change with some market pressure for redevelopment and lower levels of occupier demand for industrial units, meaning that redevelopment may be (or may shortly become) financially attractive for the owner. These sites could conceivably be redeveloped within the LDP period to 2030 if the Choice is enacted. It is estimated that⁴:

³ Reconciliation: 3.42 million sq.ft. (318,000 sq.m.) / 79 hectares (790,000 sq.m.) = 40% plot ratio

⁴ Two large areas which comprise multiple sites of differing type and quality have been split across the short-medium and medium-long term categories.

- **40** representing 56 hectares of land 2.48 million sq.ft. have **short to medium redevelopment potential** within the City Plan period to 2030. This is 71-72% of the total industrial stock in scope whether measured by sites, land or buildings.

4.7.2 **Medium to long term redevelopment.** These are typically higher value, more modern, well-occupied buildings or estates with continuing strong occupier demand - or occupational commitment through ownership or leases. If leased then these buildings attract comparatively high rents and investment values. The potential redevelopment value (net of all costs) of these assets may not obviously exceed the value-destruction of removing a valuable, income-producing asset. These sites are much less likely to be redeveloped for alternative use within the next LDP period to 2030 if the Choice is enacted. It is estimated that:

- **16** sites representing 23 hectares of land and 0.93 million sq.ft. of industrial floorspace have **medium to long term** redevelopment prospects, potentially beyond the City Plan period. This is 28-29% of the assets in scope.

4.8 Taking the short-medium term redevelopment potential sites at 4.5.1 as a reasonable estimate of market capacity to accommodate redevelopment to 2030, and assuming that alternative demand use and development industry capacity is forthcoming, **the implied potential is for the loss of around 250,000 sq.ft.⁵ of industrial space annually to 2030.** This 'supply side capacity' to lose industrial stock to alternative uses is around 5 times the historic rate of stock loss estimated above.

4.9 This classification into two categories of industrial site is to aid policy development, rather than providing a definitive opinion on each asset. The industrial and alternative use markets are dynamic and reuse is not binary. Moreover, there will be further as yet unidentified factors such as ownership and lease patterns, the fit of uses within their local area, and (occasionally) the conservation of status of buildings, which may act to release or constrain redevelopment potential.

⁵ Approximation based upon 2.48 million sq.ft. at 4.5.1 split equally over 2021-2030 inclusive = c.250,000 sq.ft. pa.

05

CASE STUDIES



INTRODUCTION

- 5.1 The case studies presented in this section examine the loss – or the potential to lose – industrial stock to alternative uses. A classification of representative potential market situations was agreed with the Council⁶ then specific case studies were selected from the examples in Section 4. Additional consultation has been undertaken with developers where required.
- 5.2 The case studies on pages 29-38 illustrate the following market scenarios:
- A. A stand-alone building which has recently been redeveloped for alternative use.
 - B. A stand-alone building where there is an intention that it will be removed and the site developed.
 - C. An industrial estate which has recently been redeveloped for alternative use.
 - D. An industrial estate with a high investment value which is not currently proposed for redevelopment.
 - E. An area of change, to understand the wider market drivers and effects surrounding industrial subjects.

And in addition:

- F. An out-of-scope example of the redevelopment of garage services premises.

⁶ During the project inception it was agreed to exclude the following potential types of case study:

- A remaining large factory. Although Edinburgh has lost these over time, they are protected by planning policy and operational value, until such times as the latter changes due perhaps to obsolescence or corporate change. It would be speculative and potentially misleading to single out an operational factory which is apparently healthy.
- Ageing 1960/70s office blocks outside of the city centre. Some of these also being considered for alternative use but are out of scope for this industrial focused project. This excludes for example the Police Scotland Regional Headquarters at Fettes which is identified on Map 7 as a potential brownfield site for redevelopment.

A. A STAND-ALONE INDUSTRIAL BUILDING WHICH HAS RECENTLY BEEN REDEVELOPED FOR ALTERNATIVE USE

100 Telford Road is located approximately 2 miles northwest of the City Centre on Telford Road (A902) which is one of the main arterial routes serving Edinburgh city centre. The site is bounded by residential housing to the north, south and east of the site and a small commercial development comprising a public house and a McDonalds to the west of the site. To the north east of the site lies the Western General Hospital.



The site is approximately 1.29 acres (0.52 hectares) and it is understood to have originally been built as a post office depot in c.1980. The site was purchased by Securicor, now G4S, who operated the single storey 6,555 sqft office/industrial building to provide cash services. Planning consent was obtained in 2004 and 2010 to adapt the premises to make these more secure including garaging and additional security fencing. G4S undertook a sale and leaseback of the property in 2010 (£1.15m) to DS Properties. G4S continued to occupy the premises until 2015 at which point they relocated to purpose built facilities at Teviot House, 35-41 South Gyle Crescent.

In 2015, a change of use was granted from Class 4 to Class 10 (charity services) to allow the premises to be occupied by World Mission Agency Winners however this occupation was short term (potentially to allow the landlord to save on rates liabilities) and the site was put on the market in 2016. Ten bids were received for the property which was ultimately sold to Northcare Scotland Ltd later that year for c. £2.2m.



In 2017, planning permission was granted for the demolition of the commercial premises and the erection of a 76 bed luxury care home for the elderly with associated parking and landscaping. The site was unallocated white land in the adopted LDP 2016 and the planning permission was subject to the principle policy tests under EMP9 – Employment Sites and Premises which includes contributing to the comprehensive regeneration and improvement of the wider area. This development (pictured) was completed in 2019.

B. A STAND-ALONE INDUSTRIAL BUILDING WHERE THERE IS AN INTENTION THAT IT WILL BE REMOVED AND THE SITE REDEVELOPED

Saica Pack is currently located at **1 Turnhouse Road** in West Edinburgh. It comprises substantial industrial buildings and yard/grassland extending to approximately 15.43 acres (6.25 ha). Saica Pack acquired the building in 2008 for £5.4 million when it purchased the SCA Packaging business.

The site is bounded to the north by residential homes and the West Craigs residential development site (currently farmland but with proposals for 2,000 units); to the east by residential homes; to the south by Glasgow Road and the Gyle Shopping Centre beyond; and to the west by railway lines and Edinburgh Gateway station beyond.

The site has an established employment use via Saica Pack, a packaging company, but no formal land use designation within the adopted Edinburgh LDP 2016, falling within the wider Urban Area. It is however, recognised to be a 'Long Term Redevelopment Opportunity' within the LDP Site Brief for the West Craigs residential led expansion.



Source: Costar/Savills

Within the Choices for City Plan 2030 the Council has identified the subject site as having potential for large scale, medium density housing development (Site Ref: 281). Medium density is described as being 100-175 units per hectare and using this density combined with the site area, the Council have calculated both a 'low' and 'high' density scenario:

SITE NO.	SITE NAME	AREA (HA)	DENSITY	LOW	HIGH	CURRENT USE
281	Turnhouse Rd (Sacia)	6.27	Medium	627	1,097	Employment - industrial

In February 2020, Sacia Pack announced it had acquired a 22.48 acre (9.10 ha) site in Deans Road, Livingston, West Lothian (former Lidl distribution depot) to establish a new £50m, purpose built production facility. The press release states that:

“changes in customer demand, aging facilities and challenges associated with existing site locations led the company to take a major step in order to increase Saica Pack’s capacity and offering for its customers. The leading Scottish packaging business will be transitioning from a two-site structure with the de-commissioning of its Edinburgh and Milngavie sites, to one main plant in Livingston. The new site will be completed by the end of 2021”.

The Turnhouse Road site was put on the market in September 2020 and is seeking a headline price of around £20 to £25 million less deductions for abnormal costs and Section 75 contributions etc. As per the summary in Section 4, the site is considered to be suitable in development terms for a range of uses including, but not limited to, residential, retail, hotel, build to rent and retirement living, subject to obtaining the necessary consents.

C. AN INDUSTRIAL ESTATE IN DECLINE WHICH HAS RECENTLY BEEN DEVELOPED FOR ALTERNATIVE USE

The site of the former **2-8, 3-11 and 15-19 West Bowling Green Street (including 26 Anderson Place)** is located in the Bonnington area of Edinburgh 2 miles north of the City centre. It extends to 2.2 acres (0.89 ha) and is bounded by the Water of Leith which curves round the northern, eastern and southern borders of the site. Prior to the sale of the site(s) in 2010 and subsequent demolition of the properties, the site was occupied by:

Property	Site Area (acres)	Industrial GIA (sq.ft.)	Owner	Tenant
2-8 West Bowling Green Street	1.058	38,671	Martin Family	Martin Family
3-11 West Bowling Green Street	0.807	26,340	Martin Family	S&B Manufacturing
15-19 West Bowling Green Street (frontage onto 26 Anderson Place)	0.326	21,122	Grays	Grays SR Plant Hire Thysson Krupp Lifts
Totals:	2.191	86,133		

In 2009, 15-19 West Bowling Green Street was put on the market by Grays the ironmongers who used their premises as a repair shop for their retail store on George Street. As the popularity of the repair side of the business began to fall Grays had sub-let part of the building to SR Plant Hire and Thysson Krupp Lifts. J Smart & Co. purchased 15-19 West Bowling Green Street in



2010 and by 2011 the units were vacated; Grays wound up their business, SR Plant Hire re-located to Stewartfield Industrial Estate (then subsequently went into administration) and Thysson Krupp came out of Edinburgh and is now listed at Buchanan Gate in Steps near Glasgow.

J Smart & Co undertook further site assembly and later in 2010 also purchased 2-8 and 3-11 West Bowling Green Street from the Martin Family. By this time both premises had vacant possession; S&B Manufacturing subsequently went into administration.

An original planning application for the combined site was submitted in 2013 however this was revised in 2016 and permission eventually granted in 2019. This consent was for J Smart & Co and the creation of 98 residential units (25% affordable in line with policy) and commercial space totalling 4,306 sq.ft. The development has recently completed as Waterside Walk and the residential units have all been sold.



The commercial units which front Anderson Place and part of West Bowling Green Street are ground floor units ranging from 75-1500 sq.ft. These were put on the market for sale in May 2019 and 2 have now sold. 24 Anderson Place has been sold to a private individual's SIP and the property is used as an office. 28 Anderson Place was sold to a Trust and the property will be used as a gallery. The remaining two are still on the market and agents are confident of their sale. However, if they remain unsold for 2 years they are able to be turned back into residential units.

D. AN INDUSTRIAL ESTATE IN AN AREA OF CHANGE THAT HAS A HIGH INVESTMENT VALUE AND IS NOT CURRENTLY PROPOSED FOR ALTERNATIVE USE REDEVELOPMENT

Stenhouse Mill Wynd Industrial Estate is located in the west of the City approximately 2.5 miles from the City Centre. It is accessed off Gorgie Road (A71) opposite the junction with Stenhouse Drive.



The estate is formed of units 14-29 and comprises two terraces of modern, refurbished industrial units ranging in size from 2794 – 8537 sq.ft. The terraces are situated on either side of a central access road with each unit benefitting from a demised tarmac loading and parking area. Units are of steel portal frame construction with full or dado height brickwork walls and profile metal sheet cladding and eaves heights range from 6-7m. Each unit has a single level vehicle access loading door. The total development comprises 63,182 sq.ft. across 14 units. Occupancy in the estate is high and tenants include City Plumbing Supplies, Chubb Fire & Security Ltd, St Andrews Timber and Building Supplies and Rexel UK Ltd. The estate could generally be considered as 'prime' and in 2015 was purchased by Telereal Trillium from Aviva Investors Global Services Ltd for £5.1m reflecting a net yield of 7.6%. At that time annual income from the estate was £411,144 and a Weighted Average Unexpired Lease Term (WAULT) of 6.56 to expiry (4.98 years to break).

The surrounding area is of mixed use character comprising a range of residential, commercial and industrial uses. A Planning Application Notice was submitted in 2019 for 553-555 Gorgie Road and the adjacent land for the proposed creation of student accommodation/flatted residential/local retail and Class 3 development by Kiltane Developments. This would replace the 1970s 5-storey block fronting Gorgie Road which currently houses a ground floor motor dealership, with a mix of commercial space, some vacant, and student accommodation to the upper floors. It would also replace the 2-storey industrial unit to the rear which is predominately occupied by a motorcycle dealership. The area of adjacent land is a former car park currently used as a fenced compound with containerised storage. It is our understanding a public consultation event was held towards the end of 2019 however the Planning Application Notice is still outstanding. The application has been notified to Scottish Ministers who are considering whether they need to call it in. It is recommended for approval by the Council.

The wider estate is included among the Map 7 brownfield sites and as noted above some adjoining elements are subject to alternative uses redevelopment pressures. The core terraces of modern industrial units are however well-occupied and high value and are not believed to be under early threat of redevelopment.

E. AN AREA OF CHANGE, TO UNDERSTAND THE WIDER MARKET DRIVERS AND EFFECT SURROUNDING INDUSTRIAL SUBJECTS.

The Bonnington district of Edinburgh centres on an area which grew up around a ford on the Water of Leith approximately 2 miles from the city centre. The area has since been home to business and light industry, including the John Lewis depot, the former Crawfords Biscuits warehouse and the original Chancelot Mill. In more recent years, as industry has declined, the area has become increasingly popular for residential re-development.

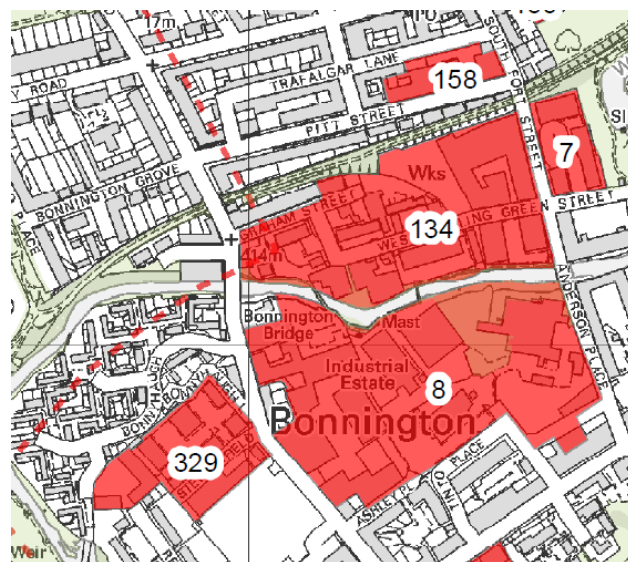
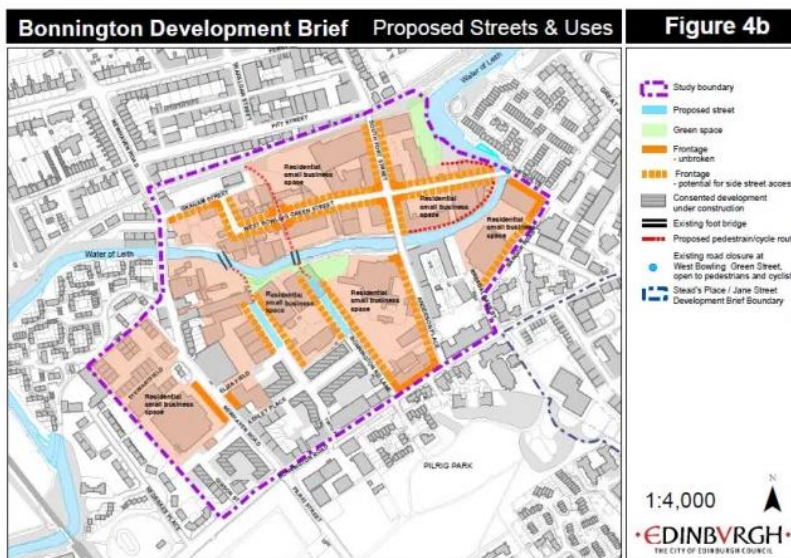
The Council created a development brief for the area in 2008 to ensure that:

- housing development did not prejudice existing businesses;
- modern, flexible business space was still provided in the area; and
- better connections were made between Bonnington and wider pedestrian routes, cycle networks and green spaces

The area has changed dramatically since 2008 through extensive, predominately residential redevelopment. Recently completed/proposed developments in the area as well as commentary on what remains is discussed below as they correspond with the extensive sites noted on the adjacent map taken from the Choices for City Plan 2030.

Pitt Street (158)

The east end of Pitt Street contains a number of relatively poor quality industrial units and yards. Some units are vacant however current tenants do include Edinburgh Bacon Company (119-123) as well as a handful of motor trade organisations. One yard (145A) is being used by the Radical Travel Group for vehicular storage. Another yard is being used weekly by the Pitt Street Food Market. A Pre-Application Notice was submitted in August 2020 on behalf of J Smart & Co and Pitt Street Properties for 117-145 Pitt Street for a residential development. Formal pre-application consultation took place in September/October 2020. The total site area is 0.6 hectares which means that if residential consent is granted there will be no requirement to replace industrial units as the obligation applies only to sites larger than 1 hectare.



South Fort Trade Park, West Bowling Green Street (7)

As a result of recent development, South Fort Trade Park is now enclosed by residential uses. This includes Waterside Walk (98 units by J Smart & Co, see case study C above) and Heron Court (24 units for disabled adults by HBV) to the east and Tayworks to the west (77 units by MNM Developments).



The estate contains 5 single storey industrial units built in 1998. Three of the units are occupied by Howdens, 1 by Dulux Decorator Centre and 1 is vacant. The estate totals 26,233 sq.ft. of space.

The estate is owned by Warehouse REIT plc (Tilstone Portfolio). The current rent roll is c. £170,000 pa and the units are held by virtue of a long ground lease (expiring 2120). The current ground rent is £25,000 pa. The estate was recently advertised on the market for offers in excess of £1.369m.

Graham Street/West Bowling Green Street (134)

Graham Street is predominately residential however there are a small number of commercial properties including 17-19 Graham Street which is an office property of 6,657 sq.ft. built in 1990. The property is split into a number of smaller units and tenants include Mapix Technologies, Trackplot Ltd and Overseas Emigration Ltd. It appears fully occupied. 2 Graham Street houses the Bonnington Motor Co (1,584 sq.ft.) and 4 Graham St is tenanted by City Electrical Factors (6,989 sq.ft.). Units appear to be in average condition.



The west end of West Bowling Green Street is home to a number of car garages, gyms/fitness instructors/sports clubs, phone repair and a food company. All units appear to be occupied however car parking is pressured which would make it restrictive for larger deliveries potentially ruling out light to heavier industrial uses, indeed many units have had a previous change of use.



Planning applications have been granted for 2 adjacent sites; 30 South Fort Street and 24-28 West Bowling Green Street. Both sites form part of the same masterplan and replace industrial space with residential development. 30 South Fort Street was the former Blake Metal Group Centre which encompassed a 0.7ha site comprising industrial workshop and yard to the rear. Blake Metal Group are the site owners and 115 residential flatted units (87 private, 28 affordable) will be developed by Barratt. Demolition of the Blakes site is currently in progress. No commercial floorspace will be created on this site, instead the replacement commercial space is proposed to be concentrated on the 24-28 West Bowling Green site. The Blake Group is now listed at West Craigs Quarry, Turnhouse Road in the west of the City. 24-28 West Bowling Green Street is owned by IKM Property Management and previous tenants were Wicked Campers (13310 sq.ft.) and Edinburgh Arts and Picture Framers (14956 sq.ft.) however these units have since been demolished and will be replaced with 77 residential units and 3 commercial units with an area of 2087 sq.m. by MNM Developments (The Tayworks). Both former tenants appear to have located to the nearby Bangor Road.



Newhaven Rd/Ashley Place/Tinto Place/Anderson Place (8)

Almost all of this area is currently subject to proposals for redevelopment to residential use. The former Bonnington Mill (70-72 Newhaven Rd) is currently being re-developed by Queensberry into 49 flatted units (36 private, 13 affordable). This site was home to 23306 sq.ft. of industrial space which was partly occupied by several small businesses with remaining units vacant. No commercial space will be replaced as part of proposals.

Located within Elizafield, Bonnington Industrial Estate is adjacent to this site and offers c. 50,000 sq.ft. of industrial space across 11 units. Two units are currently vacant and other tenants include Scottish Government Motor Services, Changeworks, Colin Parker Furniture, Crown Decorative Paints, Forth Fire Protection, Edinburgh Festival, Dorvel Lighting Ltd and SRS Autoparts. Condition is commensurate with age (1970s/80s) and there is good car parking.

The remainder of this site is subject to two substantial residential developments. This includes a 214 residential development by Millers which includes 1657 sq.ft. of commercial space. This site is 1.47 hectares and was previously part of an industrial estate which provided space totalling 32290 sq.ft. with units from the 1960s and 80s. The space was occupied by vehicle hire/repair companies as well as a number of smaller independent businesses. Adjacent is the proposed 2.2 hectare Platform development which will include 527 Build to Rent units as well as commercial space to include retail (2044 sq.ft.), food and drink (1431 sq.ft.) and office (6811 sq.ft.). The site will replace the former John Lewis depot (14 Bonnington Lane) which a 57950 sq.ft. 1940s' warehouse supporting 78 jobs as well as a former Council Heath and Social Care building (200 Bonnington Road), a 10100 sq.ft. 1970s' office building. Both buildings were of an advanced age and now particularly well suited to modern industrial uses. A planning decision on the Platform development is expected later in 2020 however demolition of the former buildings is already in progress.

The Platform site wraps around the Biscuit Factory (4-6 Anderson Place) which dates from the 1800s albeit the present building was built c. 1932-1944, on the site of the original factory which dates back to the 1800s. The building opposite was a former wool store and soap factory. The premises no longer operate as a biscuit factory; however it still retains two Class 5 uses; the Edinburgh Gin Distillery on the ground floor, and an artisan bakery (2nd floor). A planning application was submitted in September 2020 for a part change of use from Class 5 to create a proposed mixed-use development incorporating artisan workshops, event space, office space, gym and business space.



Stewartfield Industrial Estate (329)

Stewartfield Industrial Estate off Newhaven Road comprises 32 industrial units ranging from 1070 sq.ft. to 4198 sq.ft. Built in the 1970/80s, the estate is fully let to small businesses including a significant number of local trades (roofers, glaziers etc), a brewery start-up, photographer and a gym/boxing club. The units are single storey with roller shutter doors and appear in good condition. The estate is owned by J Smart & Co. who as noted above are also active residential developers in the area. This estate feels less pressured than some of the others referred to above; it has access from an arterial route, car parking, units are of good condition and self contained.

Summary

The Bonnington area has seen significant transformation over the last 10 years and there are a limited number of remaining industrial areas which are not subject to an existing residential planning application.

West Bowling Green Street is a particular area where the relationship between residential and industrial/commercial is uneasy; parking is limited, access is compromised and a number of the remaining units have changed from light industrial use to the provision of services, e.g. gyms, phone repair etc.



Bonnington Industrial Estate is slightly better placed for light industrial use with better car parking and access but is surrounded by new residential development.

Meanwhile Stewartfield Industrial Estate is in good condition and very popular and whilst there is and has been residential development in close proximity it appears more self-contained.

The re-development of Bonnington has undoubtedly meant a huge reduction in employment floorspace in the area, and while developments over 1 hectare are required to replace an element of this, there will still be an overall loss of job numbers and local services from the area. This should be balanced carefully against the residential and economic impact of new residents in the area.

F. AN EXAMPLE OF THE REDEVELOPMENT OF GARAGE SERVICES PREMISES

Garage services premises are not classed as industrial property and thus are out-of-scope for this project. However in discussions with the Council, Ryden noted that there are numerous of these among the brownfield sites on Map 7 (for example Farmer Autocare, Strathearn Road, the Grange) and further examples which not included on that Map (for example Kwik Fit, Falcon Road, Morningside, which is opposite a Royal Mail sorting office site that is included, or Kwik Fit, Fountainbridge which sits between new school and student housing blocks). In addition to these and other branded examples across the city there are many private garage services sites either in stand-alone format or offering motor repairs from industrial units.

Purpose-built garage services buildings tend to have a very low 'plot ratio' for an urban land use, due to being typically single storey buildings fronted by car parks. The selected case study shows the redevelopment of such a unit while retaining the garage services premises.

4-6 McDonald Road is a central site off the arterial route of Leith Walk and within a wider area of regeneration. The site extends to approximately 0.2 hectares and was previously in sole use as a Kwik Fit motorist centre.

In 2006, a planning application was submitted by Kwik Fit Properties Ltd and the Unite Group Plc to redevelop the site to provide a single building with motorist centre on the ground floor and student residential accommodation (139 beds) on the floors above.



The land was identified for housing and compatible uses in the Central Edinburgh Local Plan and an Urban Area in the Draft Edinburgh City Local Plan which were the prevailing Local Plans at the time. The Annandale Street Lane area was designated a Major Development Opportunity Area 1 the Local Plan and this use(s) was compatible with the preferred land uses. In addition, an acoustic assessment was provided to ensure the two uses could operate together on the site without detriment to the amenity of the occupants of the student residences. The redevelopment increases the height of the former building which was single storey however this was felt to be in keeping with surrounding buildings of similar scale. Permission was granted in 2007 and the development was completed in 2008. In 2010 the redeveloped property was sold for £1.3m to CBRE Global Investors.

The case study demonstrates the potential for densification of single-storey land uses such as garage services to retain those uses while delivering new uses on the upper floors.

06

SUMMARY AND CONCLUSIONS



- 6.1 City of Edinburgh Council appointed Ryden to undertake a study into the potential impacts of Choice 12(A) / Option 1 in the Choices for City Plan 2030 upon the city's industrial property market. The Choice would see the **redevelopment of existing brownfield sites for mixed-use to support the city's housing requirements.**
- 6.2 While the commercial property market generally is currently challenged by the economic effects of the COVID-19 pandemic, the industrial sector has remained comparatively stable and market demand continues for good quality buildings in the best locations.
- 6.3 Edinburgh's estimated industrial property stock is 11.2 million sq.ft. This represents a 3.4% reduction over the past 2 years. The majority of this stock is located on the city's industrial estates such Newbridge, Sighthill and Bankhead, South Gyle and Craigmillar, as well as inner urban estates and buildings. The occupier base of this stock is notably diverse across many types of industry and urban services. The majority of the stock is at least 40 years old and 94% is of a very basic standard.
- 6.4 Long run take-up (sales and lettings) of industrial property in Edinburgh averages 0.37 million sq.ft. annually in 53 units. Take-up peaked at 100 units in 2014, and despite the city's continued growth, has gradually contracted to less than 40 units annually. Slowing take-up and a vacancy rate of 5.6% are consistent with a constrained market. Consequently, some occupier demand for industrial premises may be suppressed or displaced to alternative premises or locations (or may accept sub-optimal premises). Demand is strongest for modern space, smaller units and on managed industrial estates.
- 6.5 Industrial floorspace is being lost from Edinburgh at a rate of around 50,000 sq.ft. (or 0.5% of stock) annually. This report provides 27 examples of industrial assets which has been lost over the past 10 years and 13 examples of assets currently under threat. Most were older and around two thirds were single buildings rather than multi-let estates. Residential use is by far the most common redevelopment type, followed by student housing. The north-east of the city accounts for most redevelopment, although there are also proposals elsewhere and on the city periphery too. The majority of redevelopments are new-build properties rather than conversions, as many industrial properties are physically obsolete and unsuited to alternative uses of any amenity.
- 6.6 Development to provide new industrial space favours accessible West Edinburgh rather than the inner city. The current development rate is replacing around 0.4% of stock annually.
- 6.7 The study conducted a detailed analysis of the Map 7 sites in the Choices report, to identify which of these comprise industrial buildings:

- 6.7.1 Fifty-six industrial sites are identified covering an estimated 79 hectares and including 3.42 million sq.ft. of buildings, which equivalent to 30% of the city's entire industrial property stock. The stock is generally older, of poorer quality, of less formal layout and attracting less occupier demand than the wider Edinburgh industrial market. Locationally, the potential redevelopment stock is skewed towards the greater Leith area (up to Bonnington). Seventeen of the sites are formal industrial estates or purpose-built terraces, while the majority are either stand-alone buildings or informal groupings within the urban area.
- 6.7.2 A market-based assessment of redevelopment potential has been made for each site. This groups the sites into short-medium or medium-long term. The former are typically older buildings in urban areas of change, which could conceivably be redeveloped within the LDP period to 2030; replacement of these outmoded premises could also have productive market benefits. The latter, medium to long term redevelopment opportunities are higher value, more modern and well-occupied with high existing use values. It is estimated that:
- 40 sites (56 hectares/ 2.48 million sq.ft.) have short to medium redevelopment potential within the City Plan period to 2030; and
 - 16 sites (23 hectares of land/ 0.93 million sq.ft.) have medium to long term redevelopment prospects, potentially beyond the City Plan period.
- 6.8 Assuming alternative demand use and development industry capacity, there is potential capacity within the short to medium term sites pipeline to lose around 250,000 sq.ft. of industrial floorspace annually during the proposed City Plan plan period. This is around 5 times the historic rate of stock loss estimated above.
- 6.9 The potential rate of stock loss is also 6 times the current, active rate of new industrial development in the city (largely in the west). The implication is that a very active industrial development programme would be required to reaccommodate even a proportion of this displaced industrial activity. More likely the migration of larger users to West Lothian and small-medium users (especially trades servicing the city) to the western estates in East Lothian and to north Midlothian around the A720 City Bypass, as well as potentially to south Fife, would continue, alongside the accommodation of some in new premises in Edinburgh. Some reaccommodation of non-industrial service uses in secondary retail frontages or business centres could also occur depending on individual occupier needs, particularly where those smaller businesses service the immediate residential and business populations and may not be able to stretch financially to a new-build industrial unit.
- 6.10 The case studies, particularly in the Bonnington area, demonstrate that industrial uses continue to yield to residential-led development. Many of the sites identified on Map 7 are already being activated or considered for alternative uses. The case studies also demonstrates that policy requirements to replace employment uses on site are tending to yield only a small number of flexible small units, some of which are designed to convert to flats if they do not attract tenants, and are thus unlikely to contribute to the replacement need if industrial stock is lost at the potential rate indicated in this report.

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