Tonbridge & Malling Economy Study Update

Final Report

Tonbridge & Malling Borough Council

20 October 2025

LICHFIELDS

LICHFIELDS

Lichfields is the pre-eminent planning and development consultancy in the UK

We've been helping create great places for over 60 years.

lichfields.uk

63910/02/CGJ/ETa
40078351v2

Contents

1.0 Introduction

1.1 Tonbridge & Malling Borough Council ('TMBC') ('the Council') have commissioned Lichfields to prepare an Economy Study Update to form part of the evidence base to inform a new Local Plan that will set out planning policies and proposals for future development in the borough over the period to 2042.

1.2 The purpose of this study is to update the Council's understanding of the future needs for employment land across the borough and the suitability of the borough's portfolio of employment sites to meet these needs, so that future Local Plan policies can be responsive to market change, support key growth sectors and where possible ensure that existing viable employment land and premises are protected.

Background

1.3 This study provides an update to previous economic evidence prepared by Lichfields for TMBC including an Economic Development Needs Study (EDNS) which was published in August 2022[1]. Updated evidence is now required to inform the emerging Local Plan that takes account of the updated National Planning Policy Framework (NPPF) (published in December 2024), implications arising from the 2021 Census, the changing economic context, and a new Local Plan period (2024-2042).

1.4 The scope has also been expanded to include retail and town centre uses which is covered in a separate Retail and Town Centre Needs Study Update. The two studies should be read alongside each other given the inter-relationship between many employment, retail and town centre planning issues. While this report supersedes the EDNS, it makes reference back to the previous study and should be read alongside it.

1.5 This study has been prepared in line with the latest Planning Practice Guidance (PPG) and the methodology for determining future economic development needs. It includes consideration of economic development as defined by the NPPF, with a primary focus upon the typologies set out in the business use classes as outlined below:

- **B2 general industrial:** typically comprising factory and manufacturing space.
- **B8 storage and distribution:** warehouses, wholesale and distribution.
- From 1 September 2020, former "B1 uses" are identified as follows in the Town and Country Planning (Use Classes) (Amendment) (England) Regulations 2020:
  - Former Class B1(a) to **E(g)(i)**: office space;
  - Former Class B1(b) to **E(g)(ii)**: research and development space; and
  - Former Class B1(c) to **E(g)(iii)**: light industrial space.

1.6 References to 'employment space' refer to all B/E(g) class elements noted above. Where monitoring data has been provided in terms of former use class designations, the above definitions are applied to convert Class B1 floorspace to the relevant E(g) class.

[1] Lichfields (2022), Tonbridge & Malling Economic Development Needs Study, https://www.tmbc.gov.uk/downloads/file/2204/economic-development-needs-study

1.7 An important consideration for any work of this type is that it is inevitably a point-in-time assessment. This study has incorporated the latest data, review of site conditions and other evidence available at the time of preparation primarily in Spring 2025. The accuracy and sources of data derived from third party sources has not been checked or verified by Lichfields.

1.8 It should also be noted that this employment evidence considers the 'indigenous' (i.e., locally arising) employment needs associated with economic and employment growth in Tonbridge & Malling and it does not take account of other strategic/inward investment needs or any other specific investment position that may arise from other areas or firms, other than to the extent that these have been accommodated historically and accordingly they are currently reflected in the trends which inform the various forecasts of the assessment.

1.9 In addition to the need to plan for business needs, the December 2024 update to the NPPF requires local planning authorities to specifically plan for the growth of 'modern economy' sectors and uses[2]. To some degree this is a matter for general employment land planning, while some uses have a degree of specialisation with their own locational requirements and drivers of demand which do not fall within the PPG approach to forecasting needs. Whilst we provide some high-level observations and analysis within Section 7.0, it is not within the scope of this study to undertake a detailed review of future requirements in these sectors and locational needs in Tonbridge & Malling other than the extent to which these feature within past trends.

Structure of the Report

1.10 The remainder of this report is structured as follows:

- **Policy and Context Review (Section 2.0):** a summary of recent changes and additions to national planning policy and guidance, alongside a review of regional and local industrial and economic strategies.
- **Functional Economic Market Area (Section 3.0):** a review of updated evidence relating to the Functional Economic Market Areas (FEMAs) that operate across Tonbridge & Malling and the wider region.
- **Commercial Property Market Signals Update (Section 4.0):** an analysis of the current stock and trends in employment space in Tonbridge & Malling and how different segments of the market have been performing recently.
- **Future Employment Space Requirements (Section 5.0):** presents a series of future growth scenarios for Tonbridge & Malling and associated employment land requirements over the new Local Plan period.
- **Demand/Supply Balance (Section 6.0):** presents the employment requirements against identified available supply across the area to identify any shortfall or oversupply of employment space.
- **Sector Growth Opportunities (Section 7.0):** high-level analysis and commentary on key sector growth opportunities within the borough, with a specific focus on 'modern economy' sectors identified in the updated NPPF.

[2] Namely laboratories, gigafactories, data centres, digital infrastructure, freight and logistics.

- **Overall Conclusions and Policy Implications** are presented in **Section 8.0**.

1.11 Supporting information and data is contained in the appendices.

2.0 Policy and Context Review

2.1 To ensure the study reflects the most up-to-date policy position, this section presents a review of recent changes and additions to national planning policy and guidance, alongside a review of regional and local industrial and economic strategies.

National policy and guidance

National Planning Policy Framework

2.2 The December 2024 update to the National Planning Policy Framework (NPPF) placed renewed emphasis on the importance of enabling economic growth through the planning system[3]. Key changes from previous iterations of the NPPF include a new 'standard method' for assessing local housing needs, broadening the definition of brownfield land, identifying 'grey belt' land within the green belt, and supporting economic growth in key sectors aligned to the Government's industrial strategy.

2.3 Chapter 5 of the NPPF, *Delivering a sufficient supply of homes*, makes it mandatory to assess the minimum number of homes needed through a local housing need assessment using the standard method (paragraph 62). In addition, any needs that cannot be met in neighbouring areas will also need to be planned for.

2.4 Strategic policy-making authorities are required to set a housing requirement figure across their area, showing the extent to which they are able to meet their identified housing need over the plan period (paragraph 69). This requirement may be higher than the locally identified housing need figure if it *"reflects growth ambitions linked to economic development or infrastructure investment."*

2.5 Chapter 6, *Building a strong, competitive economy*, outlines how planning policies and decisions can *"help create the conditions in which businesses can invest, expand and adapt"* (paragraph 85). This includes placing *"significant weight"* on supporting economic growth and productivity, accounting for *"local business needs and wider opportunities for development"*.

2.6 Updates to paragraph 86 represent a significant change in the requirements placed upon planning policies in relation to economic growth and development. In particular, the revised text requires planning policy to:

"Pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as ***laboratories, gigafactories, data centres, digital infrastructure, freight and logistics****"* (paragraph 86c, emphasis added).

[3] Ministry of Housing, Communities and Local Government (MHCLG) (2024) National Planning Policy Framework. Available at: https://www.gov.uk/government/publications/national-planning-policy-framework--2 [Accessed August 2025]

2.8 Alterations have also been made to paragraph 87, providing further elaboration on the need for policy and decisions to *"recognise and address the specific locational requirements of different sectors."* This includes:

"a) ***clusters or networks of knowledge and data-driven, creative or high technology industries****; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections);*

b) ***storage and distribution operations at a variety of scales and in suitably accessible locations*** *that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and*

c) the ***expansion or modernisation of other industries*** *of local, regional or national importance to support economic growth and resilience"* (emphasis added).

2.9 Notably, the December 2024 NPPF introduces the concept of the 'grey belt,' defined as *"land in the Green Belt comprising previously developed land and/or other land that, in either case, does not strongly contribute to any of purposes (a), (b) or (d) in paragraph 143"* (p.73)[4].

2.10 Chapter 13, *Protecting Green Belt land*, stipulates that if it is necessary to release land from the Green Belt, for example to meet an authority's identified need for housing, commercial, or other development, priority should first be given to previously developed land and then to previously undeveloped grey belt.

The UK's Modern Industrial Strategy

2.11 The UK's Modern Industrial Strategy[5] establishes eight growth-driving sectors, known as the 'IS-8': advanced manufacturing; clean energy; creative industries; defence; digital and technologies; financial services; life sciences; and professional and business services.

2.12 The Industrial Strategy is designed to support the UK's 'highest potential' sectors, cultivating *"competitive markets and reducing barriers to entry across the UK, so that firms can start up and scale into businesses capable of anchoring supply chains, occupying critical niches in global value chains and networks"* (pp.18-19). The Strategy describes itself as *"unashamedly place-based, recognising that stronger regional growth is critical for the competitiveness of the IS-8 and the resilience of the national economy"* (p.22). While the strategy places focus on city regions and high potential clusters, it acknowledges the wider benefits across the UK economy in supporting local jobs and communities.

2.13 In alignment with the December 2024 update to the NPPF, the Industrial Strategy sets out the Government's planned interventions within the planning sector to remove barriers and encourage investment. This includes a focus on the modern economy land uses identified within the NPPF, introducing an opt-in scheme for gigafactories, laboratories and data

[4] These purposes are (a) to check the unrestricted sprawl of large built-up areas; (b) to prevent neighbouring towns merging into one another; and (d) to preserve the setting and special character of historic towns.
[5] Department for Business and Trade (DBT) (2025) The UK's Modern Industrial Strategy. Available at: https://www.gov.uk/government/publications/industrial-strategy [Accessed August 2025]

centres to be designated as Nationally Significant Infrastructure Projects (NSIPs), in addition to reducing pre-application timescales for infrastructure projects and the establishment of AI Growth Zones to fast-track development.

Devolution and local government reorganisation

2.14 The English Devolution White Paper, *Power and Partnership: Foundations for Growth*, was presented to Parliament in December 2024[6]. Broadly, the White Paper covers two strands of regional and local governance reform in England: local government reorganisation and extending the coverage of devolution.

2.15 Devolution will see the coverage of Strategic Authorities across the whole of England for the first time. A Combined – or 'Strategic' – Authority is a legal body that enables a group of two or more councils to collaborate and take collective decisions across council boundaries. The Government's preference is for Strategic Authorities to be headed by an elected mayor and responsible for long-term, strategic decision making, similar to the structure of existing Combined Authorities in England.

2.16 The White Paper posits that devolution *"enables more decisions to be made by those who know their areas best, leading to better outcomes and a more efficient use of resources"* (p.23). The 'core levers' of growth to be devolved include transport, skills, employment support and strategic planning, among other functions. The geography of Strategic Authorities will need to meet a range of criteria, including a population of 1.5 million or above, covering 'sensible' economic geographies with contiguity across constituent councils, and not creating 'devolution islands'. All Strategic Authorities will be required to create a Local Growth Plan that sets their long-term vision for regional growth, covering a 10-year period.

2.17 While Kent has not been prioritised for the Devolution Priority Programme, Government has indicated that it might be possible for Kent to be considered as part of any future 'waves' of devolution[7]. Meanwhile, local government reorganisation is to involve the eventual abolition of two-tier authority structures (i.e. district and county councils) in favour of single-tier Unitary Councils.

2.18 The Kent Interim Plan for Local Government Reorganisation, agreed by all 14 Kent council leaders, was published on 21 March 2025[8]. This set out a position wherein the leaders *"would not collectively support either fewer than three or more than four unitaries within Kent [and Medway]"* (p.7).

2.19 Tonbridge & Malling Borough is therefore likely to form part of a larger Unitary Council by merging with one or more neighbouring districts, likely overseen by a Kent and Medway Strategic Authority. The final preferred proposition for local government reorganisation in Kent is to be submitted to the Government by 28 November 2025.

[6] MHCLG (2024) English Devolution White Paper: Power and partnership: Foundations for growth. Available at: https://www.gov.uk/government/publications/english-devolution-white-paper-power-and-partnership-foundations-for-growth [Accessed August 2025]
[7] Ibid.
[8] Kent Council Leaders (21 March 2025) Kent Interim Plan for Local Government Reorganisation: joint submission from all 14 councils. Available at: https://www.kent.gov.uk/about-the-council/local-government-reorganisation-and-devolution [Accessed August 2025]

Drivers of Economic Growth

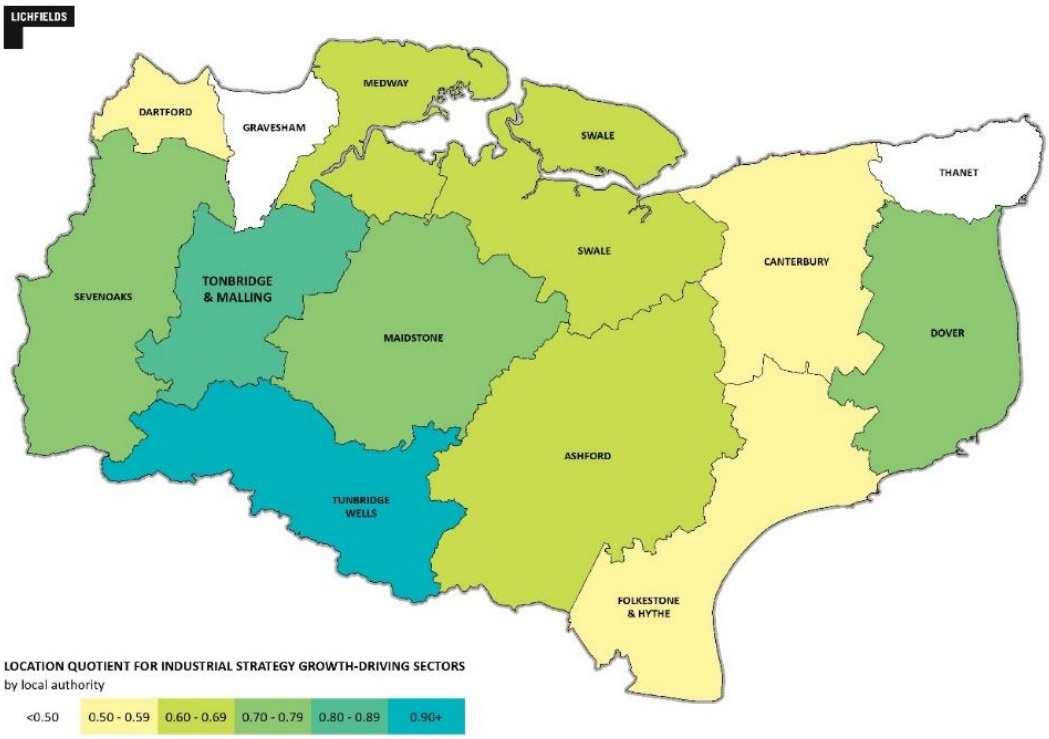
Industrial strategy growth driving sectors

2.20 The UK's Modern Industrial Strategy places focus on eight key growth-driving sectors ('IS-8', see paragraph 2.10) in order to maximise growth and states its objective for this growth to be *"inclusive, sustainable, and resilient"* (p.115). These sectors were identified based on both their current and emerging strengths in the UK based on output growth, productivity, and international positioning. Subsectors within the eight broad sectors will be prioritised where they can help the Government meet its objectives and where policy intervention can effectively tackle barriers to growth.

2.21 Sector Plans for each sector based on value chain analysis have since been published, paying consideration to 'foundational' sectors – those providing critical inputs and infrastructure to growth-driving sectors – and technologies that are a critical or emerging part of a sector's value chain. While the Sector Plans focus on the individual needs of, and challenges facing, the eight growth-driving sectors and their respective subsectors, a cross-cutting objective to support the Industrial Strategy is to create a pro-business environment. This factors in consideration of people and skills, innovation, energy and infrastructure, the regulatory environment, crowding-in investment, and international partnerships and trade.

2.22 A location quotient can be used to measure the relative concentration of employment within an industry in a defined area compared to the national average. As shown in Figure 2.1, across the eight growth-driving sectors of the Industrial Strategy, Tonbridge & Malling has a location quotient of 0.80.

Figure 2.1 Location quotients for IS-8 sectors in Kent and Medway



Source: ONS (2023) Business Register and Employment Survey | Lichfields analysis

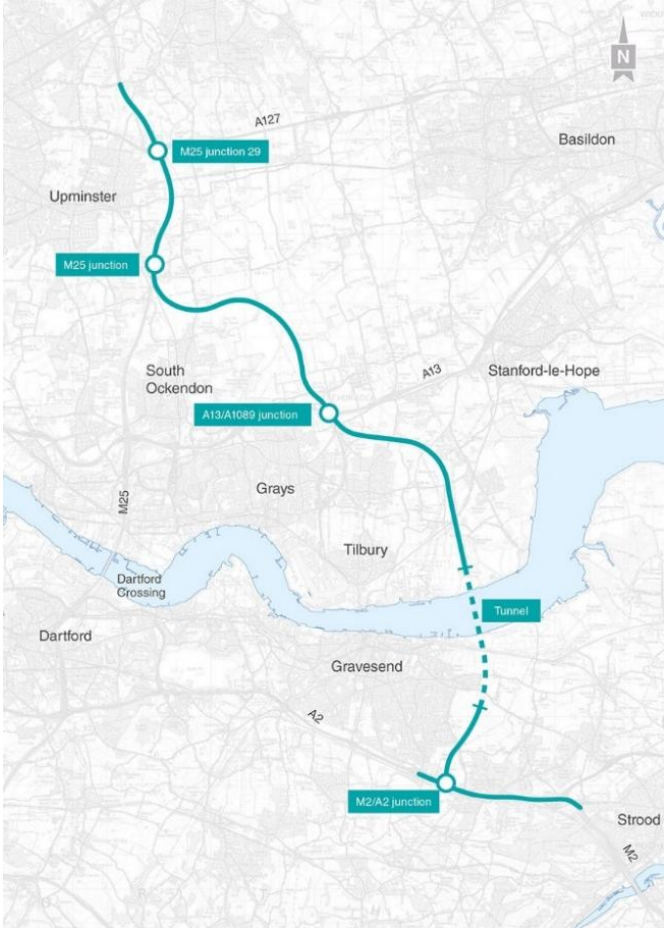
2.23 Despite falling below 1.0 – and therefore indicating that Tonbridge & Malling has a lower concentration of these industries compared to the national average – the location quotient is the second highest in Kent and Medway. Tunbridge Wells is the only local authority area to record a location quotient above 1.0, at 1.03, while neighbouring Sevenoaks and Maidstone recorded quotients of 0.78 and 0.71, respectively.

2.24 This suggests that while Tonbridge & Malling may not exhibit an established comparative advantage in the IS-8 at the national level, it is relatively well-positioned at the Kent and Medway sub-regional level. Of the IS-8, Tonbridge & Malling only records a location quotient above 1.0 in one sector: financial services.

Infrastructure investment: Lower Thames Crossing

2.25 Following a renewed focus on infrastructure in both the NPPF and Industrial Strategy, the recent development consent for the Lower Thames Crossing (LTC) represents a significant investment in infrastructure in Kent. The LTC will be a new road connecting Essex and Kent through a tunnel under the River Thames[9]; the route is shown in Figure 2.2.

Figure 2.2 Location of the Lower Thames Crossing



Source: National Highways (n.d.) *What is the Lower Thames Crossing?* Available at: https://nationalhighways.co.uk/our-roads/lower-thames-crossing/what-is-the-lower-thames-crossing/ [Accessed May 2025]

[9] National Highways (25 March 2025) *Government gives planning permission to the Lower Thames Crossing*. Available at: https://nationalhighways.co.uk/our-roads/lower-thames-crossing/news-and-media/government-gives-planning-permission-to-the-lower-thames-crossing/ [Accessed 10 April 2025]

2.26 During construction the project is expected to support up to 4,500 construction jobs (of which at least a third will come from the local area) and provide labour skills and training that can be taken forward to other projects in the future[10]. Meanwhile, once operational the LTC will provide faster and more reliable transport connections, benefitting users and unlocking economic growth potential in the region, including through (dynamic) business clustering and associated agglomeration economies[11].

2.27 National Highways estimate the LTC has the potential to add £40 billion to the UK economy over its first 60 years, primarily attributable to providing an alternative route to the Dartford Crossing, enabling more efficient and timely freight connections[12]. It is projected that the LTC will bring an additional 400,000 jobs within an hour's commute of local communities, while leaving *"a legacy of high-quality jobs and home-grown skills"* (p.2).

2.28 The LTC is likely to represent a significant driver of future economic growth for Tonbridge & Malling given the borough's proximity to the route and its connection to the A2 and M2 in Kent. In particular, the increased capacity that the LTC provides for freight movement could represent a future driver of demand for industrial and logistics space and development within key locations along strategic routes such as the M20, linked to the M2 via the A228 which runs through the borough.

2.29 This could also have an impact upon the geography and spatial extent of commercial property market areas that currently operate within and across the borough (as explored further in Section 3.0 of this report) as the operating areas and characteristics of local businesses change.

Kent growth opportunities

Kent & Medway Economic Framework

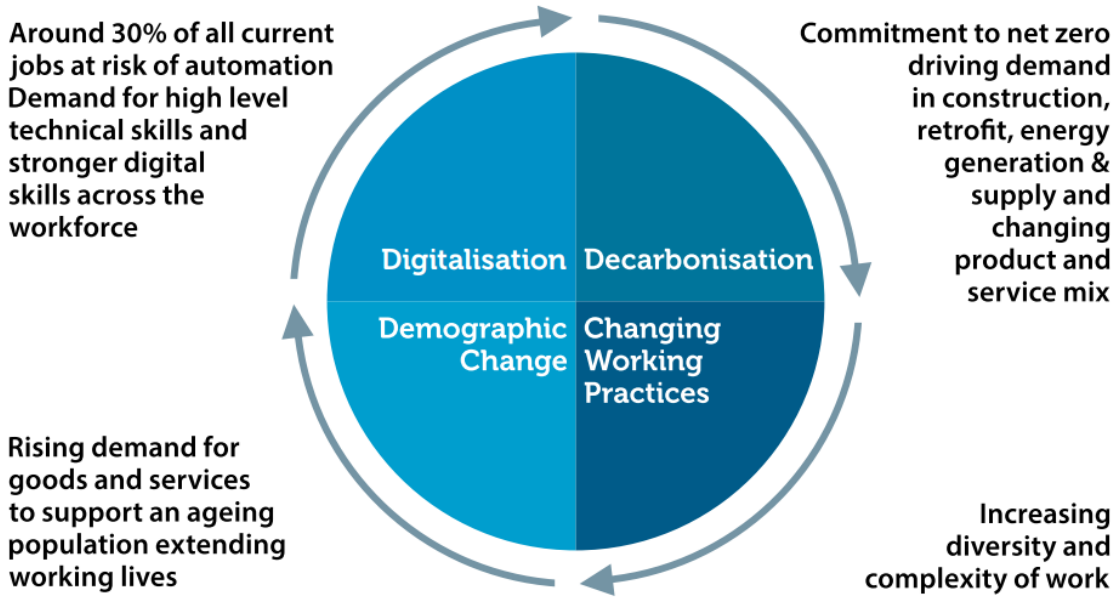
2.30 The Kent & Medway Economic Framework was published by the Kent & Medway Economic Partnership (KMEP) in March 2024[13]. The Framework notes that West Kent accounts for a greater share of jobs in the county than its share in population, reflecting the *"large and diverse"* employment base in Tonbridge & Malling (p.16). Productivity is also higher in West Kent, measuring at 10% above the national average, while areas of East Kent record productivity 20% below the national average.

2.31 Important local concentrations of economic activity identified across Kent include life sciences, creative, digital and technology, and food production and agri-tech. To build on Kent's existing strengths, and address its challenges and opportunities, the Framework identifies four key transformational trends that will act as long-term drivers of change:

[10] National Highways (2022) Lower Thames Crossing – 6.1 Environmental Statement: Chapter 13 Population and Human Health. Available at: https://national-infrastructure-consenting.planninginspectorate.gov.uk/projects/TR010032 [Accessed August 2025]
[11] National Highways (2022) Lower Thames Crossing – 7.7 Combined Modelling and Appraisal Report: Appendix D – Economic Appraisal Package: Level 3 Wider Economic Impacts Report. Available at: https://national-infrastructure-consenting.planninginspectorate.gov.uk/projects/TR010032 [Accessed August 2025]
[12] Logistics UK & National Highways (2024) Lower Thames Crossing: Road to growth. Available at: https://s3.eu-west-2.amazonaws.com/assets.nationalhighways.co.uk/roads/road-projects/Lower+thames+crossing/lower-thames-crossing-road-to-growth-brochure.pdf [Accessed August 2025]
[13] Kent & Medway Economic Partnership (KMEP) (2024) Kent & Medway Economic Framework. Available at: https://www.kmep.org.uk/about-kmep/strategic-economic-plan/ [Accessed August 2025]

decarbonisation and the route to net zero, digitalisation, demographic change, and the impact of changing working practices (see Figure 2.3 overleaf).

Figure 2.3 Long-term drivers of change



Source: Kent & Medway Economic Partnership (KMEP) (2024) Kent & Medway Economic Framework

Tonbridge & Malling Economic Development Strategy

2.32 The Tonbridge & Malling Economic Development Strategy 2023-2027 was published in November 2023, with an overarching focus on sustainable economic growth underlined by the strategic priority of *"investing in our local economy to help support residents and businesses foster sustainable growth"* (p.3).

2.33 Tonbridge & Malling's strengths identified within the Strategy include its proximity to London and international gateways, high quality of life, a strong business community, low unemployment and high levels of household income relative to other areas of Kent. Meanwhile, existing challenges include identifying new employment sites to meet future needs, decarbonising the economy, past losses of commercial premises through Permitted Development Rights (PDR) and recruitment difficulties at local businesses, among others.

3.0 Functional Economic Market Area

3.1 Functional Economic Market Areas (FEMAs) represent the geographies at which local economies and markets operate. Planning Practice Guidance (PPG) requires strategic policy making authorities to base their evidence of current and future business needs on the best fit FEMA, among other factors[14]. FEMAs are defined based on a range of factors, including but not limited to the extent of any (former) Local Enterprise Partnership (LEP) in the area, travel to work areas, housing market areas and transport networks[15].

3.2 The 2022 Tonbridge & Malling Economic Development Needs Study[16] (EDNS) concluded that Tonbridge & Malling was a constituent part of a wider West Kent FEMA, stating:

"… it is suggested that Tonbridge & Malling does not represent a self-contained functional economic area but ***forms part of the wider West Kent FEMA*** *… [Tonbridge & Malling] has a particularly strong economic relationship with Tunbridge Wells and Sevenoaks primarily in relation to housing, commercial property market and labour market areas, which all extend across the three authorities, however the north east parts of the Borough have also strong relationships with Maidstone FEMA. On this basis, the West Kent FEMA is validated and continues to represent the area that the evidence consistently indicates where there are strong inter-relationships with the Borough, as a whole."* (paragraph 2.34)

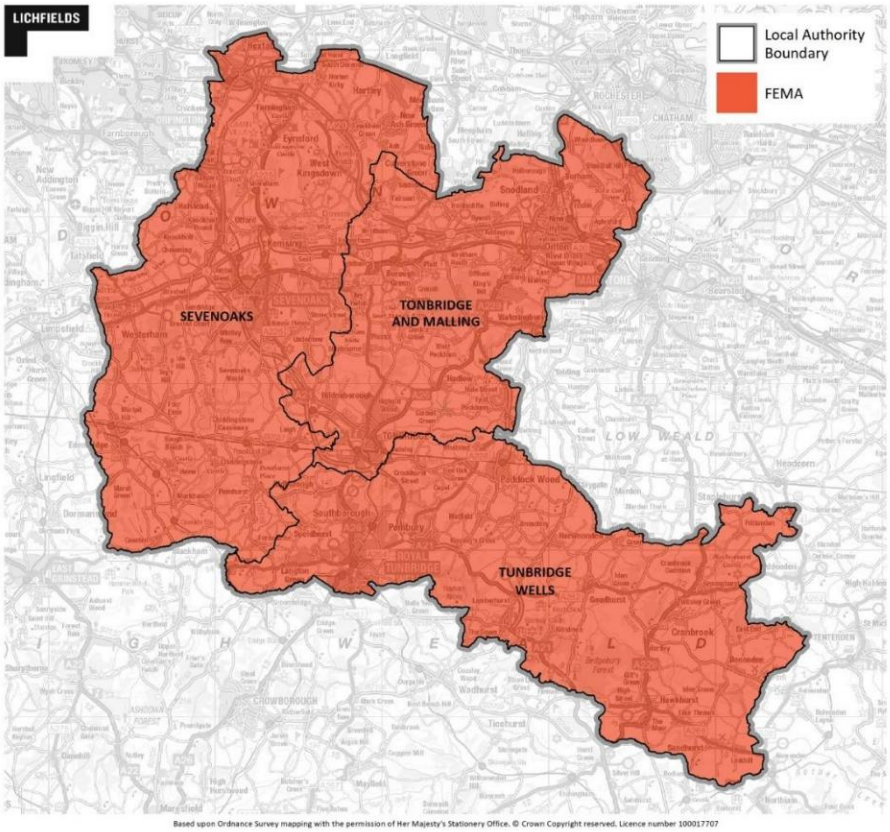
3.3 The West Kent FEMA is shown in Figure 3.1 overleaf.

[14] MHCLG (2019) Planning Practice Guidance: Housing and Economic Development Needs Assessments. *Reference ID: 2a-026-20190220.* Available at: https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments [Accessed August 2025]

[15] MHCLG (2019) Planning Practice Guidance: Plan-making. *Reference ID: 61-019-20190315.* Available at: https://www.gov.uk/guidance/plan-making [Accessed August 2025]

[16] Lichfields (2022) Tonbridge & Malling Economic Development Needs Study: Part One. Available at: https://www.tmbc.gov.uk/downloads/file/2204/economic-development-needs-study [Accessed August 2025]

Figure 3.1 West Kent FEMA



Source: Lichfields (2022) Tonbridge & Malling Economic Development Needs Study: Part One. Available at: https://www.tmbc.gov.uk/downloads/file/2204/economic-development-needs-study [Accessed August 2025]

3.4 In the intervening period since the 2022 EDNS was prepared, new data and evidence has been published, in particular the results of the 2021 Census. As such, this section provides a summary of updated evidence to consider whether the conclusion drawn by the 2022 EDNS still remains valid.

Labour market areas

3.5 Commuting patterns and associated Travel to Work Areas (TTWAs) are key indicators of the geographic extent of labour market areas.

3.6 At the time of writing, the latest available data on commuting is from the 2021 Census. However, as the Census was conducted in March 2021, during an unprecedented period of national lockdown during the Covid-19 pandemic, data collected on commuting patterns were heavily impacted. As a result, the ONS has not published updated TTWAs, and advises users to *"take care when using [travel to work] data for planning and policy purposes"*[17].

3.7 The 2011 and 2021 Census data on commuting are analysed in parallel in Table 3.1.

[17] Office for National Statistics (ONS) (2022) Travel to work, England and Wales: Census 2021. Available at: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/traveltoworkengllandandwales/census2021 [Accessed August 2025]

Table 3.1 Commuting flows in Tonbridge & Malling: 2011 and 2021

	2011 Census	2021 Census	Change 2011-2021
Working residents*	60,300	64,428	+6.8%
Workplace population**	60,467	65,878	+8.9%
Live and work in Tonbridge & Malling	29,702	45,195	+52.2%
Of which working mainly at or from home	6,917	33,610	+385.9%
Resident self-containment rate	49.3%	70.1%	+42.4%
Out-commuting workers†	30,598	19,233	-37.1%
Top five out-commuting destinations	Maidstone, Tunbridge Wells, Westminster and the City of London, Sevenoaks, Medway	Maidstone, Tunbridge Wells, Sevenoaks, Medway, Bromley	Reduced volume of commuters travelling to Westminster and the City of London
In-commuting workers‡	30,765	20,683	-32.8%
Top five in-commuting origins	Maidstone, Medway, Tunbridge Wells, Sevenoaks, Swale	Maidstone, Medway, Tunbridge Wells, Sevenoaks, Swale	No change in top five commuter origins
Net inflow of workers	+167	+1,450	738.3%

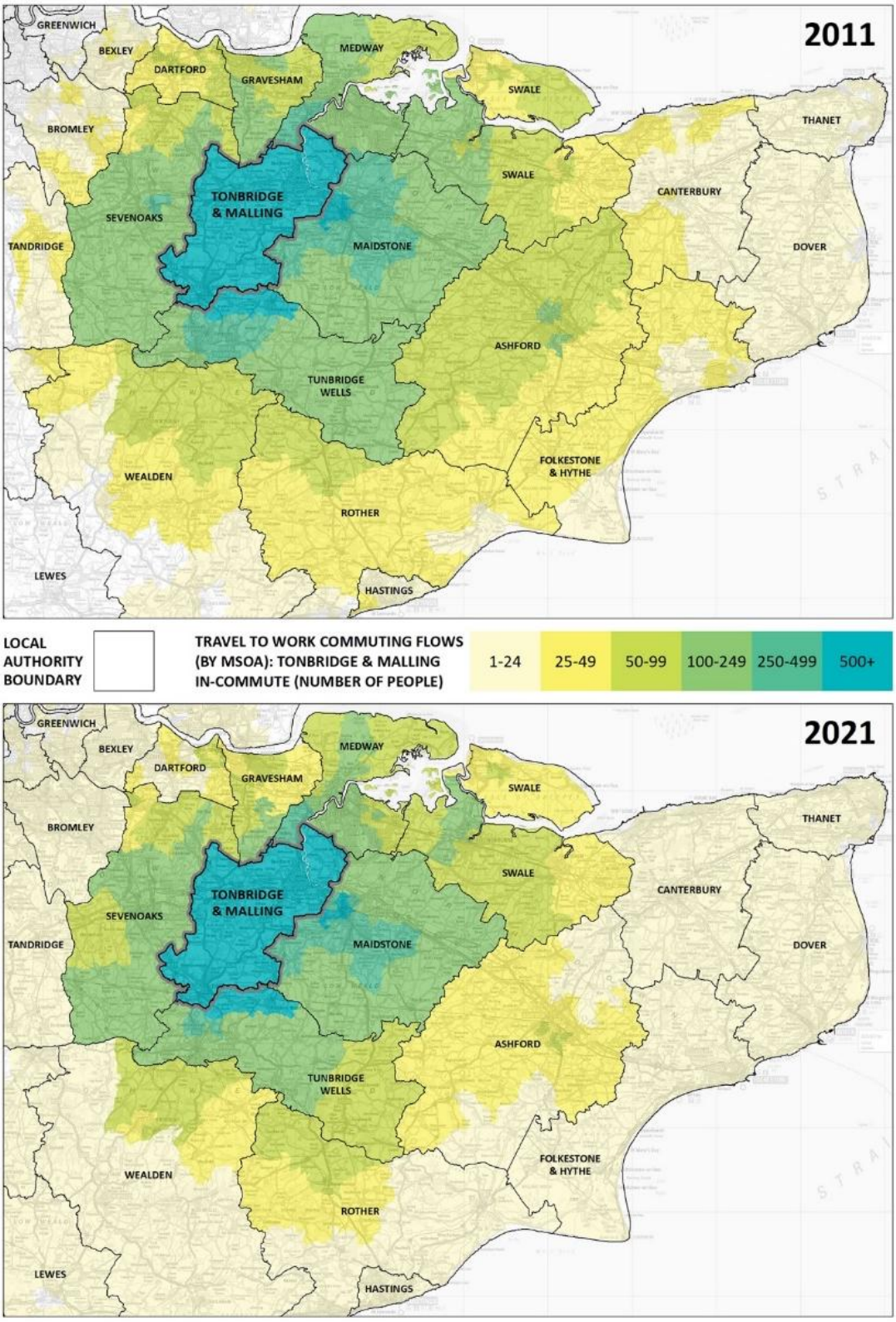
Source: ONS (2012) 2011 Census; ONS (2022) 2021 Census | Lichfields analysis
* Includes those working mainly at or from home, those with no fixed place of work, and those working at an offshore installation or outside the UK.
** Includes those working within Tonbridge & Malling, including Tonbridge & Malling residents who work mainly at or from home, or have no fixed place of work.
† Includes those working at offshore installations or outside the UK.
‡ Excludes those working mainly at or from home, and those with no fixed place of work.

3.8 This demonstrates the scale of the increase in working from home seen during the pandemic, rising from 6,917 workers (11.5% of working residents) in 2011 to 33,610 workers (52.2% of working residents) in 2021 – an increase of 52.2%. Correspondingly, both out-commuting and in-commuting flows declined in 2021, representing reductions of 37.1% and 32.8% on 2011, respectively. This has led to an appreciable increase in the resident self-containment rate (the proportion of employed residents working within the borough).

3.9 It is of note that the top five out-commuting destinations and in-commuting origins were broadly unchanged, with the exception of a reduction in the volume of commuters travelling to central London (Westminster and the City of London). This suggests that the linkages between Tonbridge & Malling and surrounding labour markets are broadly unchanged between 2011 and 2021, despite the limitations of the 2021 data.

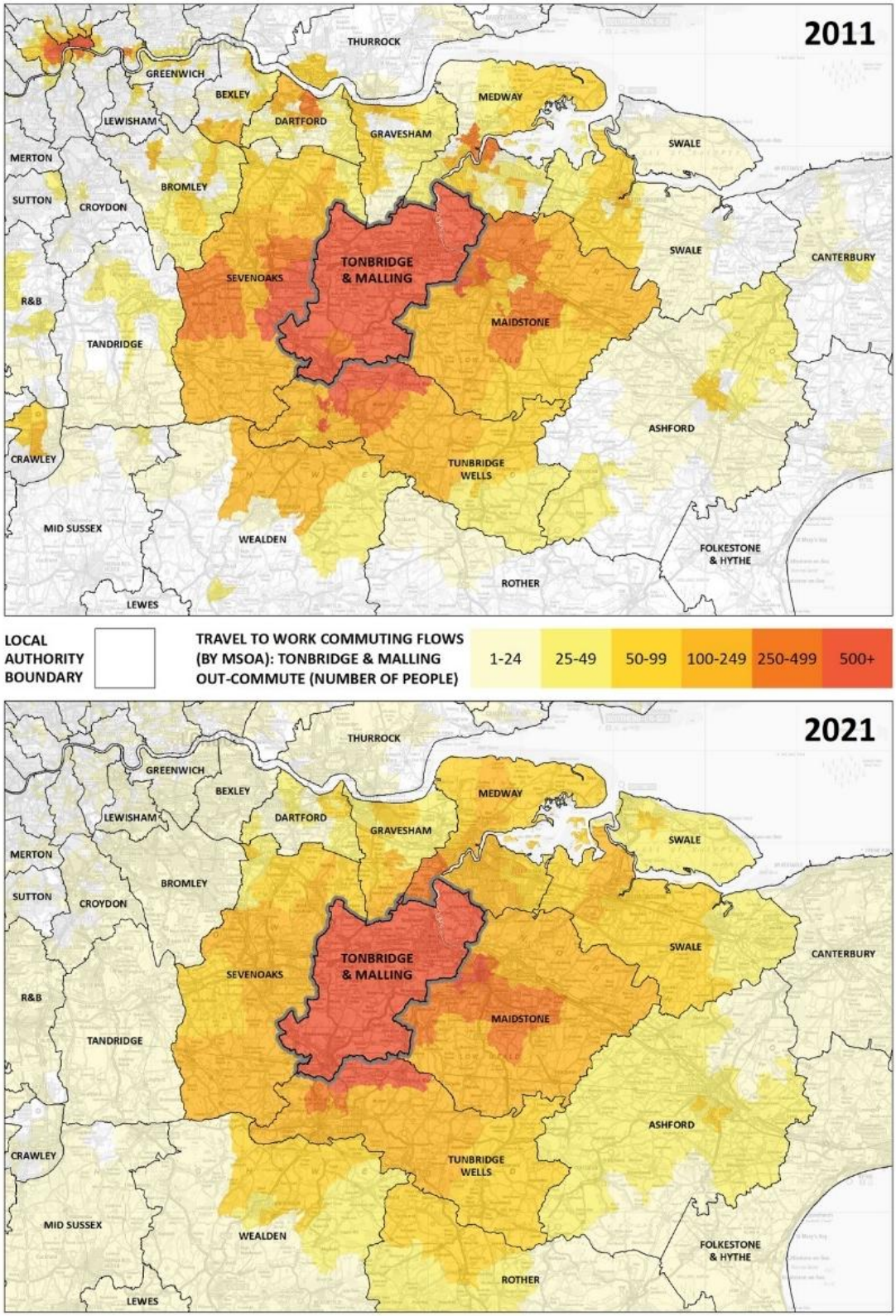
3.10 Data on commuting flows is also available at the Middle-layer Super Output Area (MSOA) level, as shown in Figures 3.2 and 3.3 overleaf for both 2011 and 2021. This demonstrates that while commuting flows – in both directions – were reduced in 2021 compared to 2011, and that commuters were less likely to travel from further afield, the origins and destinations of commuters to and from Tonbridge & Malling within Kent and the surrounding area are broadly unchanged.

Figure 3.2 In-commuting flows to Tonbridge & Malling, 2011 and 2021



Source: ONS (2012) Census 2011; ONS (2022) Census 2021 | Lichfields analysis

Figure 3.3 Out-commuting flows from Tonbridge & Malling, 2011 and 2021

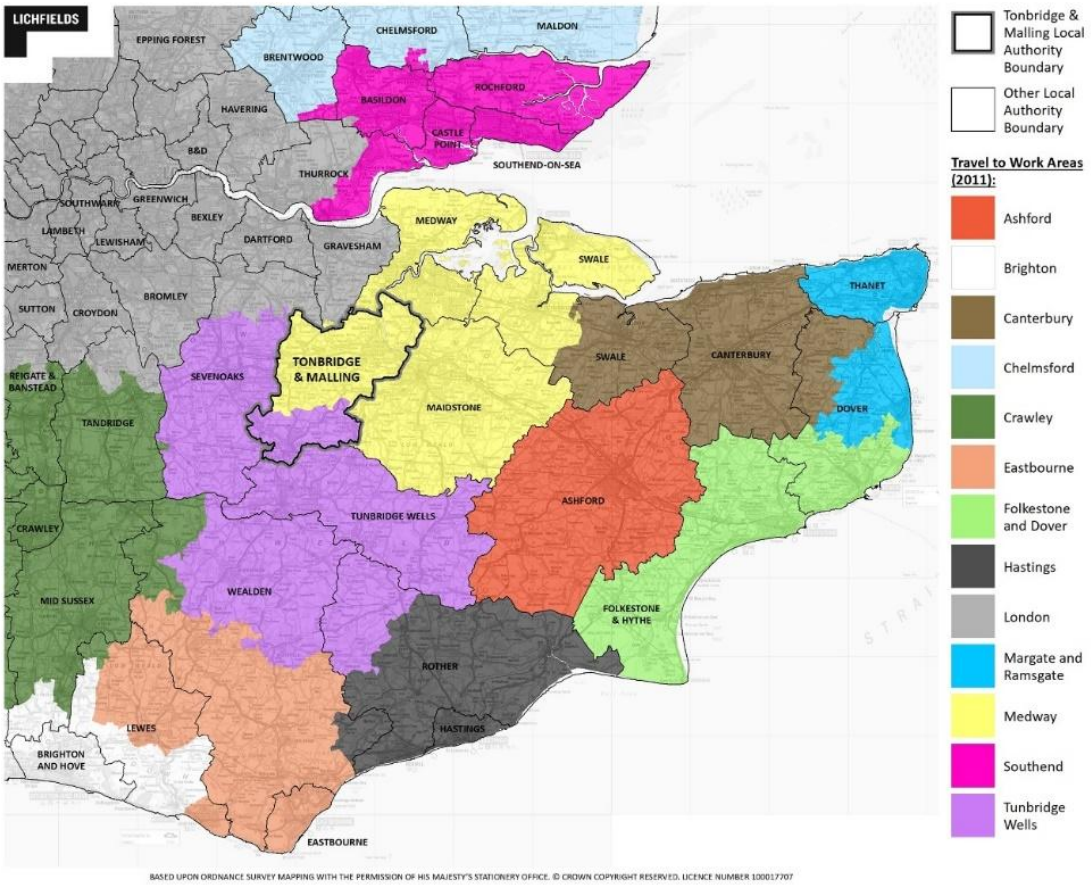


Source: ONS (2012) Census 2011; ONS (2022) Census 2021 | Lichfields analysis

Travel to Work Areas

3.11 As noted previously, the ONS has not updated its TTWA boundaries using the results of the 2021 Census and therefore the TTWAs are unchanged since the 2022 EDNS[18]. The 2011 TTWA boundaries, shown in Figure 3.4, divide Tonbridge & Malling across two TTWAs: the Medway TTWA covering the majority of northern and central areas of the borough, including West Malling, and the Tunbridge Wells TTWA covering the remaining southern portion of the borough including the town of Tonbridge. By land area, these TTWAs are the largest in Kent.

Figure 3.4 ONS Travel to Work Areas, 2011



Source: ONS (2012) Census 2011 | Lichfields analysis

Housing Market Areas

3.12 Housing Market Areas (HMAs) are geographical areas characterised by patterns and trends in household demand and housing preferences, reflecting functional linkages between where people live and where they work[19]. HMAs can be defined by analysing the relationship between housing demand and supply, migration flows and housing search

[18] ONS (2022) Travel to work quality information for Census 2021. Available at: https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/methodologies/traveltoworkqualityinformationforcensus2021 [Accessed August 2025]

[19] MHCLG (2019) Plan-making. *Reference ID: 61-018-20190315.* Available at: https://www.gov.uk/guidance/plan-making [Accessed August 2025]

patterns, and wider contextual information such as TTWAs and retail catchments. Within HMAs, there is expected to be a high level of self-containment for both commuting and migration flows[20].

3.13 The emerging Local Housing Needs Assessment for Tonbridge & Malling[21] concludes that HMAs are broadly unchanged from previous assessments. It identifies a strategic West Kent HMA that includes Tonbridge & Malling, Tunbridge Wells, Maidstone and Sevenoaks. Sub-markets within Tonbridge & Malling link the south to Tunbridge Wells, the north to Maidstone and parts of the west to Sevenoaks.

Commercial property market areas

3.14 Commercial property market areas represent the flow of goods, services and information within the local economy, and as such are a key element when defining FEMAs. Relevant commercial property indicators sourced from market intelligence can include the location of businesses' customer bases, the nature of supply chains, competitor activity (including competitive employment schemes) and the volume of enquiries.

3.15 The commercial property market in Kent is divided into three submarkets: East Kent, Mid Kent and West Kent[22]. Tonbridge & Malling is located within the West Kent submarket, which also includes the boroughs of Tunbridge Wells and Sevenoaks.

3.16 The Tonbridge & Malling office market is concentrated primarily within Tonbridge town centre and at Kings Hill business park, while the industrial market is concentrated along the M20 corridor at New Hythe and Aylesford, and within the Tonbridge industrial area.

3.17 New Hythe and Aylesford represent the largest and most significant industrial areas in Tonbridge & Malling, attracting the strongest levels of market demand. In these areas prominent industrial sites are situated in close proximity to the M20 and its junctions and tend to compete with the wider M20/M2 industrial market for footloose occupiers and medium-to large-scale requirements of over 50,000 sq.ft (4,645 sq.m). These areas have traditionally been strong industrial locations with a printing heritage, sites are being redeveloped to accommodate a mix of industrial uses with a particular focus on warehousing and distribution.

3.18 Discussions with local agents suggest there are established market interrelationships between Tonbridge & Malling, Tunbridge Wells and Sevenoaks. These three boroughs comprise a typical search catchment for occupiers looking to locate (or re-locate) in West Kent. On this basis, the definition of West Kent FEMA is reinforced by market intelligence.

Transport and connectivity

3.19 The transport and connectivity conditions within Tonbridge & Malling are broadly unchanged since the 2022 EDNS was prepared. This identified the importance of the strategic road network (M20, M26 and A21) in providing transport connections both across the borough and beyond. The M20 was noted for its role as a key economic corridor attracting high levels of business demand, and in providing connections to Maidstone,

[20] Tonbridge & Malling Borough Council (TMBC) (2021) Housing Delivery Test Action Plan. Available at: https://www.tmbc.gov.uk/downloads/file/1784/hdt-action-plan-july21 [Accessed August 2025]
[21] Iceni (2025) Tonbridge and Malling Local Housing Needs Assessment Initial Findings
[22] CoStar Group (2025) CoStar Suite

Ashford, and the channel ports in the east and to Sussex, Surrey, Greater London, and the wider South East region via the M25.

3.20 The Lower Thames Crossing, a new road connecting the A2 and M2 in Kent to the A13 and M25 in Essex, received development consent in March 2025[23]. National Highways state the Lower Thames Crossing will improve journey times, reduce congestion, and *"provide a vital new route for freight, connecting South-East ports with manufacturing centres and distribution hubs"*[24]. It is estimated that the new connection could add up to £40 billion to the UK economy through enabling faster and more reliable journeys and bring an additional 400,000 jobs within an hour's commute of local communities[25].

3.21 Once complete and operational (currently assumed to be by 2032), the Lower Thames Crossing has the potential to deepen the linkages between functional economic areas in Kent and Medway, Thurrock and Essex. However, any potential impact upon the spatial extent of Tonbridge & Malling's FEMA is likely to be realised over the longer term.

Retail and consumer catchments

3.22 The adopted TMBC development plan and 2022 Regulation 18 Local Plan[26] identify Tonbridge as the primary town centre retail location in the borough, with district centres located at West Malling, Snodland, Borough Green and Martin Square/Larkfield.

3.23 It is acknowledged that the borough "*does not have any higher tier urban or edge of centre sites with a substantial sub-regional catchment"* in contrast to neighbouring Tunbridge Wells, Maidstone and Bluewater which draw consumers from Tonbridge & Malling (paragraph 5.7.3). This suggests that Tonbridge & Malling shares economic linkages with neighbouring/nearby areas including Maidstone, Tunbridge Wells and Dartford from a retail and consumer catchment perspective.

3.24 As part of efforts to *"unlock value and transform the town centre,"* the Tonbridge town centre development project involves mixed-use redevelopment of council-owned land and buildings in central Tonbridge, east of the High Street[27]. The master plan for this is progressing. In April 2025, TMBC's Cabinet agreed the use of the Sovereign Way Mid car park in Tonbridge as the preferred site for a replacement Angel Centre built indoor sports facility[28]. Early-stage community engagement on the East of High Street masterplan is anticipated later in 2025.

[23] Planning Inspectorate (25 March 2025) *Press release: Lower Thames Crossing development consent decision announced.* Available at: https://www.gov.uk/government/news/lower-thames-crossing-development-consent-decision-announced [Accessed August 2025]
[24] National Highways (n.d.) Benefits of the Lower Thames Crossing. Available at: https://nationalhighways.co.uk/our-roads/lower-thames-crossing/benefits-of-the-lower-thames-crossing/ [Accessed August 2025]
[25] Logistics UK and National Highways (2024) Lower Thames Crossing: Road to growth. Available at: https://s3.eu-west-2.amazonaws.com/assets.nationalhighways.co.uk/roads/road-projects/Lower+thames+crossing/lower-thames-crossing-road-to-growth-brochure.pdf [Accessed August 2025]
[26] TMBC (2022) Regulation 18 Local Plan: Consultation Document, September 2022. Available at: https://www.tmbc.gov.uk/downloads/file/2229/local-plan-regulation-18-consultation [Accessed August 2025]
[27] Mace (2023) High Street East, Tonbridge: Phase 2. Available at: https://democracy.tmbc.gov.uk/documents/s76321/Annex%203%20-%20TTC%20Phase%202%20-%20LEHS%20Design%20Report.pdf [Accessed August 2025]
[28] TMBC (2025) Tonbridge town centre regeneration. Available at: https://www.tmbc.gov.uk/planning/tonbridge-town-centre-regeneration [Accessed August 2025]

Summary

3.25 Updated analysis does not indicate any material change to the conclusion identified in the 2022 EDNS that Tonbridge & Malling primarily operates as part of a wider West Kent FEMA and interacts with the Maidstone FEMA in the north east. The borough continues to share strong economic relationships with Tunbridge Wells and Sevenoaks, and also with Maidstone from a labour and housing market perspective.

4.0 Commercial Property Market Signals Update

4.1 This section provides an overview of the existing stock of, and trends and changes in, employment space in Tonbridge & Malling borough. The analysis draws on information from a range of sources, including:

a Commercial floorspace data from the Valuation Office Agency (VOA);

b Monitoring data on commercial floorspace provided by Tonbridge & Malling Borough Council;

c Commercial property market data and insights from CoStar; and

d Discussions with commercial property market agents active in the borough and wider sub-region.

4.2 This section of the report draws on proprietary data obtained from the CoStar database. CoStar is an international commercial real estate information, analytics and news platform, drawing on land registry, market and mapping data independently verified by a team of researchers. Lichfields has relied upon the accuracy of this data to inform the study without independent verification.

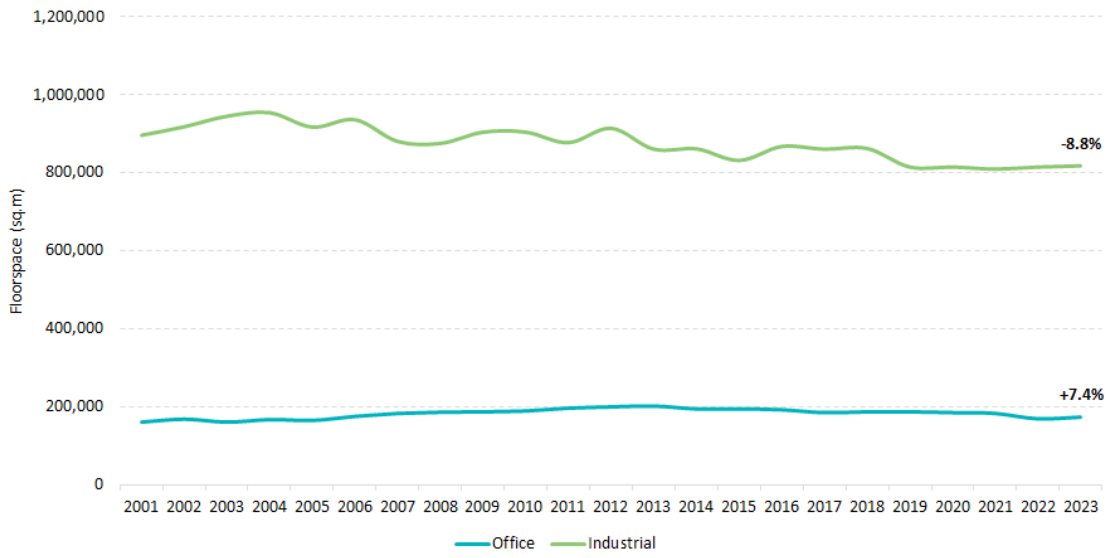
Stock of employment space

4.3 According to data from the VOA[29], Tonbridge & Malling's total stock of employment (office and industrial) floorspace in 2023 was 992,000 sq.m, of which 82.5% is in industrial use (light/general industrial and distribution) and the remaining 17.5% in office use.

4.4 The borough's total stock of employment space declined by 6.3% between 2001 and 2023. In contrast, an increase in employment space was recorded across both Kent (+5.5%) and the South East (+1.1%) over the same period. As shown in Figure 4.1, the decline seen in Tonbridge & Malling has been driven by losses of industrial space. While the total stock of office floorspace increased between 2001 and 2023, it has been declining more recently.

[29] Valuation Office Agency (VOA) (2023) Non-domestic rating: stock of properties including business floorspace, 2023. Available at: https://www.gov.uk/government/statistics/non-domestic-rating-stock-of-properties-including-business-floorspace-2023 [Accessed August 2025]

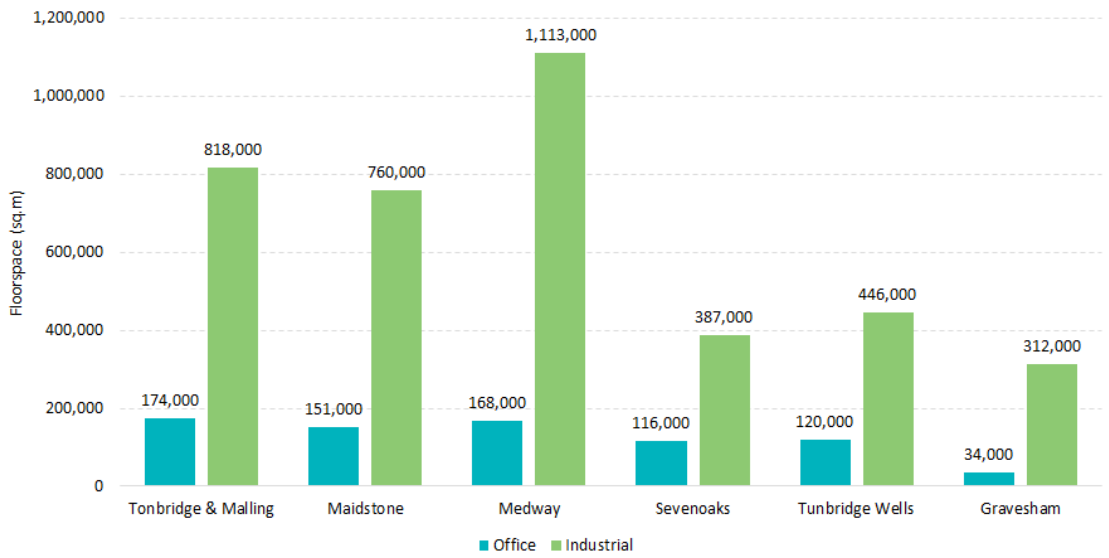
Figure 4.1 Stock of office and industrial floorspace in Tonbridge & Malling, 2001-2023



Source: VOA (2023) | Lichfields analysis

4.5 Despite the overall decline in employment floorspace, the borough's total stock remains the second highest of neighbouring authorities in West Kent after Medway, as shown in Figure 4.2. Tonbridge & Malling has the largest stock of office floorspace of the six authorities emphasising the role the borough plays in the sub-region's commercial property market.

Figure 4.2 Stock of office and industrial floorspace in West Kent, 2023

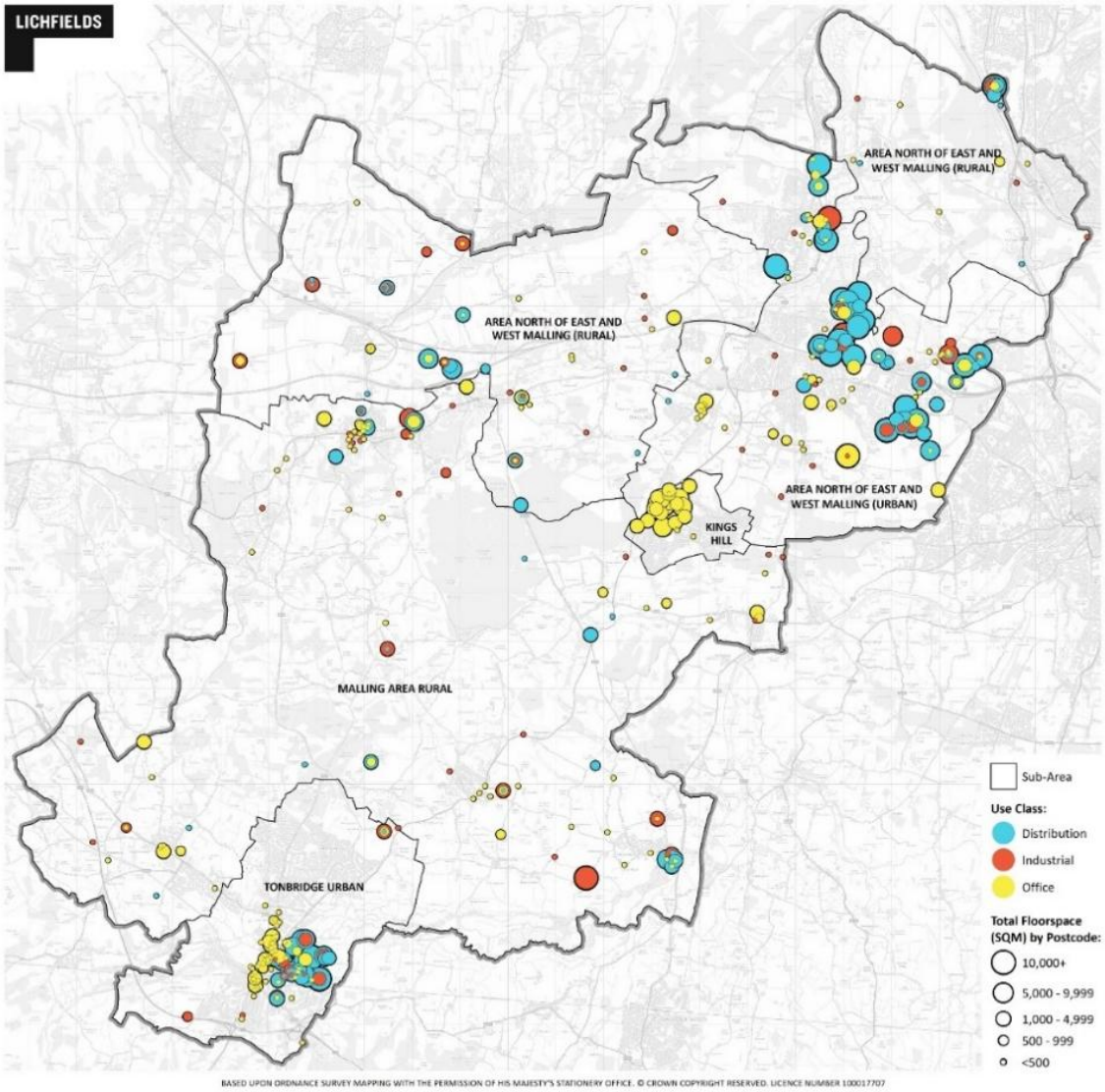


Source: VOA (2023) | Lichfields analysis

4.6 Figure 4.3 presents the distribution of employment floorspace by broad use class across the borough based on VOA rating list entries[30]. This shows significant clusters of office floorspace at Kings Hill and industrial and distribution space across Tonbridge and the urban area encompassing Aylesford, New Hythe and Snodland.

[30] VOA (2023) VOA rating list downloads. Available at: https://voaratinglists.blob.core.windows.net/html/rlidata.htm [Accessed April 2025]

Figure 4.3 Distribution of employment floorspace across Tonbridge & Malling



Source: VOA (2023) | Lichfields analysis

4.7 Table 4.1 provides a breakdown of employment floorspace across the borough by type and geographical sub-area. The majority of office floorspace (45.6%) within Tonbridge & Malling is located within Kings Hill sub-area, while the North of East and West Malling (Urban) sub-area comprises the greatest proportion of both industrial and distribution floorspace, representing 56.8% and 70.5% of each use, respectively. There is no recorded industrial or distribution floorspace on the VOA ratings list within Kings Hill.

Table 4.1 Distribution of employment floorspace across Tonbridge & Malling by broad use class and sub-area (sq.m)

Sub-area	Office	Industrial	Distribution
Kings Hill	85,788	0	0
Malling Area Rural	25,782	49,469	42,590
Tonbridge Urban	26,222	39,355	131,048
Area North of East and West Malling (Urban)	41,305	139,507	519,326
Area North of East and West Malling (Rural)	9,195	17,259	43,654

Source: VOA (2023) | Lichfields analysis

Development rates and trends

4.8 Monitoring data provided by TMBC on gains and losses of employment floorspace across Tonbridge & Malling between 2010/11 and 2023/24 gives an overview of the scale and nature of employment development that has taken place within the borough over the past 14 years. Where monitoring data was collected prior to the changes to the Use Classes Order in 2020 and 2021, the former B1 use classes are converted to the equivalent E(g) class as defined at paragraph 1.5.

Gross completions

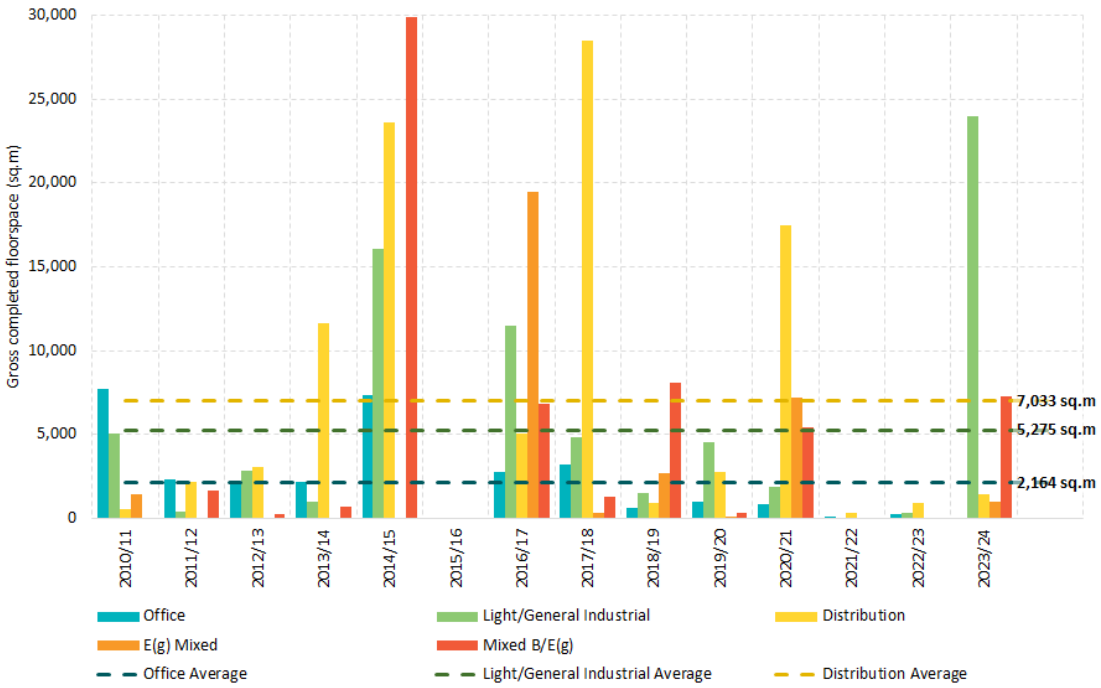
4.9 Over the 2010/11 to 2023/24 monitoring period, gross completions of employment floorspace in Tonbridge & Malling totalled 296,500 sq.m, with an average annual gross completion rate of 21,200 sq.m[31].

4.10 The greatest proportion of gross completions were distribution spaces (Class B8), representing 33.2%, while mixed developments of Class B floorspace amounted to 20.8% of total completions. Light/general industrial space (Class E(g)(iii) and B2) formed 24.9% of total completions, while office floorspace (Class E(g)(i)/(ii)) represented just 10.2% of completions over the period.

4.11 As shown in Figure 4.4, gross completions of employment space peaked in 2014/15 at over 76,900 sq.m. This single year of development accounts for 26.0% of all gross completions in the monitoring period, and includes the completion of the redevelopment of the former Aylesford Newsprint site (c. 18,000 sq.m of mixed Class B/E(g) space) and the former SAICA premises at New Hythe (c. 10,000 sq.m of Class B8 space).

[31] Includes mixed B1 and mixed B1-B8 schemes

Figure 4.4 Gross completions of employment floorspace in Tonbridge & Malling by use class, 2010/11 to 2023/24



Source: TMBC | Lichfields analysis

4.12 Significant gross completions were also seen in 2016/17 (45,600 sq.m) and 2017/18 (38,100 sq.m); in the latter year, 21,000 sq.m (55.1%) was attributable to the completion of the DHL Supply Chain Warehouse at Laverstoke Road, Allington. Situated at the 20/20 Business Park, this site straddles the borough boundary with Maidstone.

4.13 In the latest monitoring year (2023/24), 33,700 sq.m of gross completions were recorded, of which 23,900 sq.m (71.1%) was within light/general industrial premises, in particular the Arc Logistics Park, North of Vantage Point, Snodland (11,300 sq.m).

4.14 Completions of office floorspace in Tonbridge & Malling have been relatively limited in recent years. The last year in which gross office (Classes E(g)(i) and E(g)(ii)) completions exceeded 1,000 sq.m was 2017/18, and no new office floorspace was completed in 2023/24.

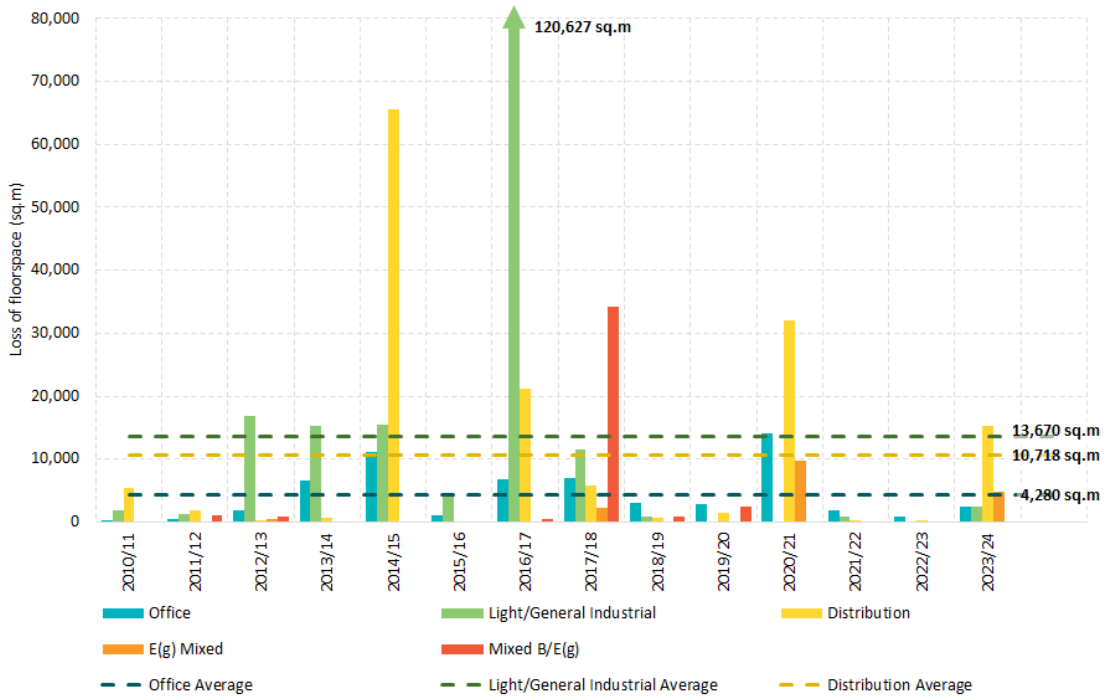
4.15 With regard to mixed Class E(g) development, gross completions over the monitoring period have totalled 32,200 sq.m, with the most notable contribution from the change of use of the Snodland Paper Mill from storage to office and light industrial uses in 2016/17, totalling 19,500 sq.m.

Losses

4.16 Losses of Class B/E(g) employment space in Tonbridge & Malling over the period 2010/11 to 2023/24 have totalled 458,800 sq.m, averaging at 32,800 sq.m per annum. This represents a considerable loss when considered in isolation, equivalent to approximately 43.3% of the total 2011 employment stock recorded by the VOA. Just under half (41.7%) of all floorspace lost over the monitoring period was within light/general industrial premises, while distribution floorspace accounted for 32.7% of losses.

4.17 As shown in Figure 4.5, in 2016/17 the borough saw a significant loss of light/general industrial floorspace of over 120,000 sq.m, primarily attributable to the demolition of Aylesford Newsprint; however, it should be noted that employment floorspace has since been re-provided at the site. Losses of distribution floorspace in 2014/15 (65,500 sq.m) are in part attributable to the redevelopment of warehousing units for residential-led development at Kings Hill (a loss of 46,800 sq.m).

Figure 4.5 Loss of employment floorspace in Tonbridge & Malling by use class, 2010/11 to 2023/24



Source: TMBC | Lichfields analysis

4.18 In the most recent monitoring year (2023/24), 12,000 sq.m of distribution floorspace was lost to residential development at the former Mill Hall Depot in Aylesford. This represents 79.1% of the total distribution floorspace lost in the year.

4.19 The rate of employment floorspace loss in the borough slowed in 2021/22 and 2022/23, with losses amounting to just 3,400 sq.m in the two-year period, however, 2023/24 saw a loss of 24,900 sq.m, primarily within distribution uses (15,200 sq.m, or 60.9%).

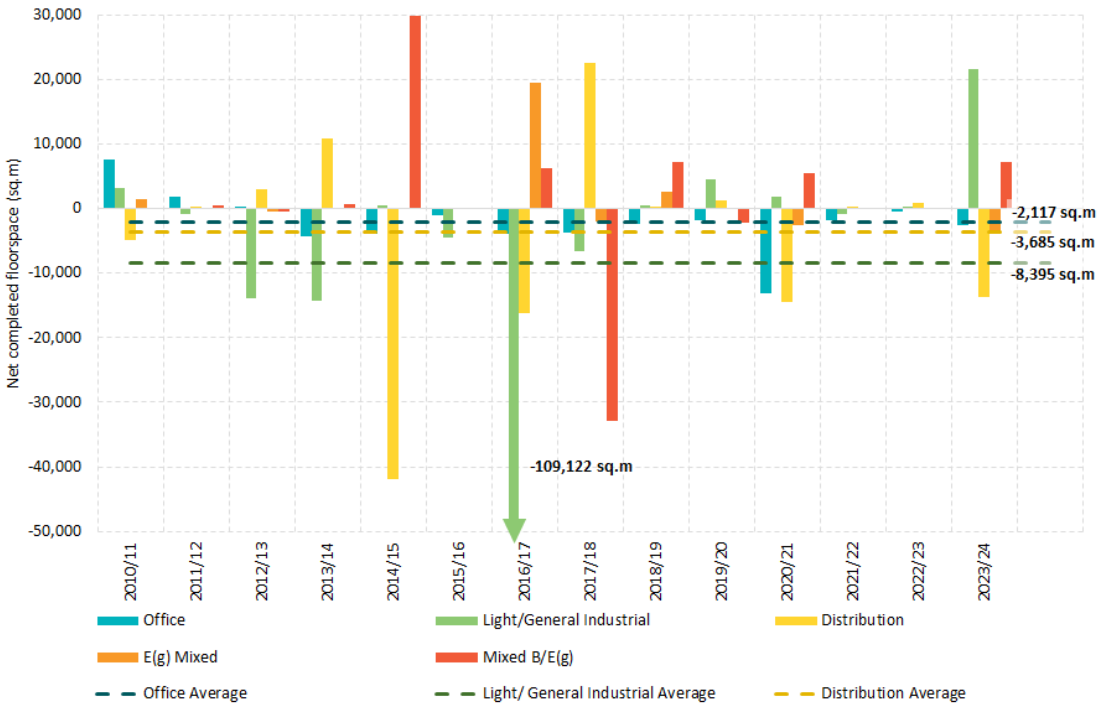
Net completions

4.20 Over the monitoring period 2010/11 to 2023/24, Tonbridge & Malling therefore recorded a total net loss of 162,300 sq.m of employment floorspace, averaging at a loss of 11,600 sq.m per year. This implies more employment floorspace was lost to other uses than was gained through new development.

4.21 As shown in Figure 4.6, net losses have been recorded across all single-use classes (office, light/general industrial and distribution) over the period, with the greatest net loss of 117,500 sq.m seen in light/general industrial space. Net loss of office space totalled 29,600 sq.m, while the net loss of distribution floorspace over the period amounted to 51,600 sq.m. In contrast, mixed Class E(g) and mixed Class B/E(g) developments saw an overall net gain

in floorspace over the monitoring period, recording gains of 14,800 sq.m and 21,700 sq.m, respectively.

Figure 4.6 Net completions of employment space in Tonbridge & Malling, 2010/11 to 2023/24



Source: TMBC | Lichfields analysis

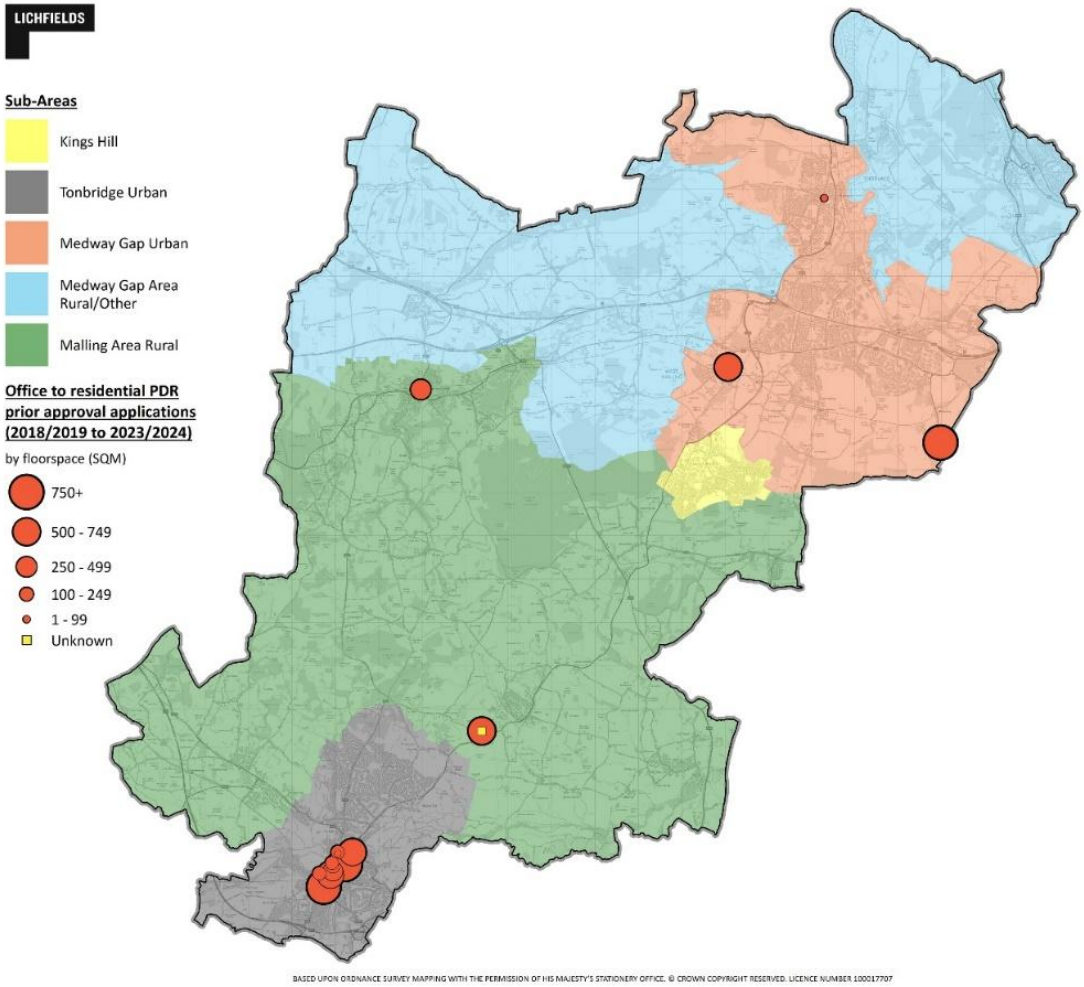
4.22 In 2023/24, there was an overall net gain in employment floorspace in the borough, despite net losses in office, distribution and Class E(g) mixed floorspace. This is attributable to the completion of 7,200 sq.m of mixed Class B/E(g) floorspace at the Aylesford Newsprint (now Panattoni Park) site, and over 11,300 sq.m of Class B2 warehousing at the Arc Logistics Park, North of Vantage Point, Snodland.

Permitted Development Rights: Prior Approvals

4.23 The latest monitoring data provided by TMBC indicates that 19 Permitted Development Rights (PDR) prior approval applications for conversion of office space were implemented in the borough between 2018/19 and 2023/24. While it is not a requirement to monitor the scale of losses through PDR applications, it is useful and important in planning terms to consider the amount of office space being lost through PDR within the context of the total employment stock in the area.

4.24 These 19 applications have resulted in the loss of approximately 9,800 sq.m of office floorspace across Tonbridge & Malling through both conversion and demolition, equivalent to 5.2% of the borough's total office stock recorded by the VOA in 2018. The location of the prior approval applications is shown in Figure 4.7; the majority are clustered in and around Tonbridge town centre.

Figure 4.7 Location of implemented office to residential PDR prior approval applications, 2018/19 to 2023/24



Source: TMBC | Lichfields analysis

Property market signals: Offices

National and regional trends

4.25 The Covid-19 pandemic brought about significant structural changes in the office market, with the widespread adoption of hybrid working causing a sharp fall in demand for office space across the UK. At the national level, the vacancy rate for offices, which was at a record low of 4.6% at the onset of the pandemic in Q1 2020, has steadily risen to reach 8.5% in Q1 2025, indicative of reduced demand[32].

4.26 Over the last five years, market activity has focused on 'Grade A' stock, with growing evidence of even further differentiation within this segment as occupiers increasingly concentrate on prime grade A space. In Greater London and the South East, prime and grade A space accounted for 80% of take-up in the first three quarters of 2024 while representing just 13% of supply[33]. Net absorption in the highest quality buildings was positive throughout the pandemic, with the majority of demand losses seen in inferior, older specification buildings. Firms seek high quality spaces to attract staff, welcome clients and meet growing Environmental, Social and Governance (ESG) requirements; even as many companies take less space overall, in March 2025 office attendance reached its highest level since the pandemic[34].

4.27 The RICS UK Commercial Property Monitor indicates a *"stalling in momentum"* in commercial property markets in Q4 2024 as industry actors display lower confidence in the likelihood of an impending upturn[35].

4.28 Across Kent, the vacancy rate in the office market measured 4.7% in Q1 2025, a slight fall from its peak of 5.1% at the end of 2024 but remaining substantially higher than the pre-pandemic vacancy rate of 1.8%[36]. Leasing activity in the office market across Kent has been subdued since 2020 with a slow recovery trajectory. After reaching a low of 21,600 sq.m in 2020, a total of 32,000 sq.m of office floorspace was leased in Kent in 2024 compared to 41,300 sq.m in 2019. Meanwhile, market asking rents have plateaued over the course of 2023 and 2024 with negative year-on-year rental growth recorded since Q3 2024.

Local office market

4.29 The office market in Tonbridge & Malling is dominated by Kings Hill, a high-quality business park forming part of the 265ha mixed-use redevelopment of the former West Malling airfield. The site attracts the majority of enquires for modern, larger-scale and higher-specification premises in Tonbridge & Malling, with demand in the remainder of the borough relatively small-scale and localised in nature.

4.30 The impact of the Covid-19 pandemic in accelerating the trend toward home working continues to dampen demand for office space across the borough, as is the case in many

[32] CoStar Group (2025) CoStar Suite
[33] Savills (28 October 2024) *Market in Minutes: Greater London & South East Offices*. Available at: https://www.savills.co.uk/research_articles/229130/368694-0 [Accessed August 2025]
[34] CoStar Group (2025) CoStar Suite
[35] RICS (2025) UK Commercial Property Monitor: Q4 2024. Available at: https://www.rics.org/content/dam/ricsglobal/documents/market-surveys/global-commercial-property-monitors/Q4-2024-RICS-UK-Commercial-Property-Monitor.pdf [Accessed August 2025]
[36] CoStar Group (2025) CoStar Suite

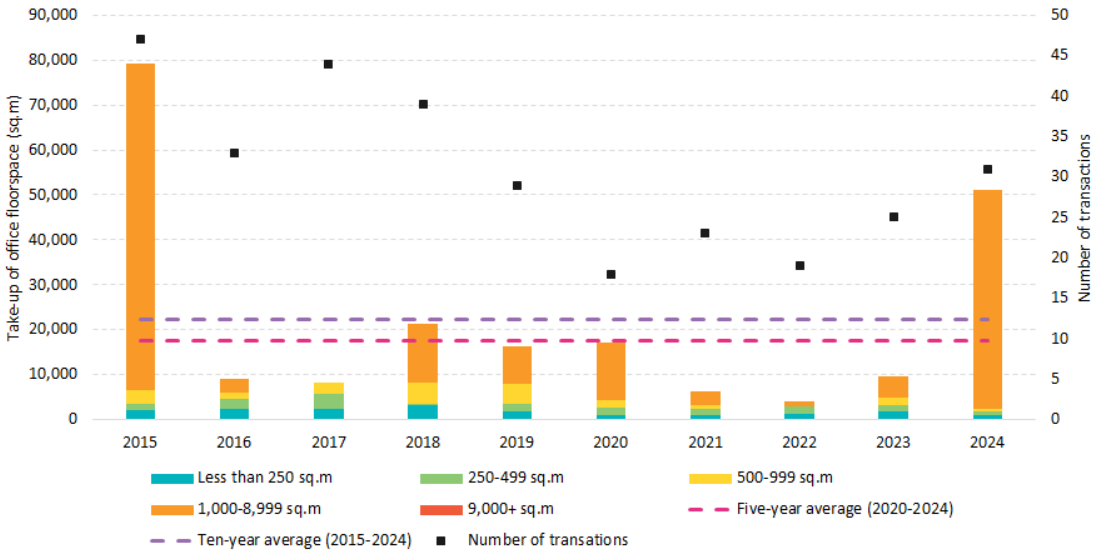
locations across the country. The subsequent high inflation and high financing costs experienced over the course of 2022 and 2023 saw the volume of new office lettings fall to historically low levels in Tonbridge & Malling, but with initial signs of recovery toward the latter half of 2023 with an increase in activity from occupiers seeking new accommodation to both downsize or modernise.

4.31 However, leasing activity did not continue to recover in 2024, with just 13 recorded transactions: the lowest since 2020. In terms of sales, in late 2024 the majority of the Kings Hill Business Park was sold to a joint venture between Veld Capital and Praxis Real Estate Group[37]. The sale may result in the redevelopment of part(s) of the business park (subject to planning), in addition to upgrades to the core office portfolio to create sustainable, grade A accommodation[38].

Take-up by size

4.32 According to the latest data from CoStar, office take-up (sales and leasing) in the Tonbridge & Malling submarket between 2015 and 2024 totalled 222,400 sq.m, with a five-year average between 2020 and 2024 of 17,700 sq.m per annum[39]. As shown in Figure 4.8, over three-quarters (75.1%) of take-up was attributable to larger offices between 1,000 sq.m and 9,000 sq.m, while 8.2% of take-up was within smaller premises of less than 250 sq.m. There were no transactions, either sales or leasing, of office spaces over 9,000 sq.m between 2015 and 2024. Over the ten-year period there was an average of 31 transactions per year, with an average 8 sale completions and 23 lease completions.

Figure 4.8 Take-up of office floorspace in Tonbridge & Malling by size, 2015 to 2024



Source: CoStar (2025) | Lichfields analysis

[37] Veld Capital (18 December 2024) *Press release: Veld Capital acquires UK mixed-use business park in Kent*. Available at: https://www.veldcap.com/2024/12/18/veld-capital-acquires-uk-mixed-use-business-park-in-kent/ [Accessed August 2025]
[38] CoStar (12 December 2024) *Praxis buys massive Kent mixed-use business park from Prologis and Harbert.* Available at: https://www.costar.com/article/1157655173/praxis-buys-massive-kent-mixed-use-business-park-from-prologis-and-harbert [Accessed August 2025]
[39] CoStar Group (2025) CoStar Suite

4.33 Take-up was particularly low between 2021 and 2023, due in part to the impact of the Covid-19 pandemic. However, 2024 bucked this trend with the highest level of take-up seen since 2015, attributable to the sale of Kings Hill Business Park, forming a 14-property portfolio. Likewise, the spike in take-up seen in 2015 is due to the previous sale of Kings Hill as part of an 18-property deal.

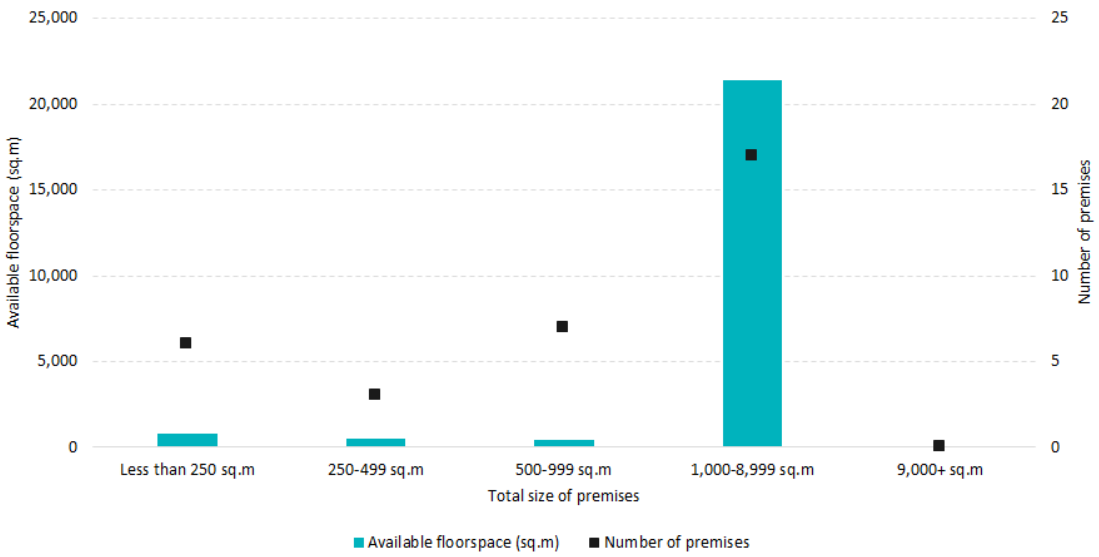
Net absorption and availability

4.34 Net absorption is a measure of total space occupied less the total space vacated in a given period[40]. Over the ten-year period between 2015 and 2024, the Tonbridge & Malling submarket recorded an average annual office net absorption rate of -595 sq.m[41].

4.35 Annual net absorption has been consistently negative since 2020, reaching an historic low of -9,200 sq.m in 2023. However, in 2024 net absorption recovered to -3,600 sq.m. Early indications for the first half of 2025 show a trend toward positive levels of net absorption in the borough.

4.36 Available floorspace is defined by CoStar as any space marketed as available for sale or lease, regardless of whether the space is presently occupied or vacant. As of Q1 2025, 9.9% of the stock of office floorspace in the Tonbridge & Malling submarket was recorded as available[42], and as of April 2025 there was 23,200 sq.m of available office floorspace in the borough. As shown in Figure 4.9, the vast majority of available floorspace (21,400 sq.m) is within larger office premises of between 1,000 and 8,999 sq.m: this is distributed across 17 premises, while the remaining available floorspace (1,700 sq.m) is within 16 units of less than 1,000 sq.m.

Figure 4.9 Available office floorspace in Tonbridge & Malling by size as of April 2025



Source: CoStar (2025) | Lichfields analysis

[40] While lease renewals are included in take-up figures, they are not included within net absorption unless the renewal includes the leasing of additional space. Pre-leasing of space in space in planned buildings, or those under construction or undergoing renovation, is not included within net absorption until the move-in date, which by definition cannot be earlier than the delivery date.

[41] CoStar Group (2025) CoStar Suite

[42] Ibid.

4.37 Table 4.2 compares available office supply measured against the five-year and ten-year average take-up rates (sales and leasing) in the Tonbridge & Malling submarket. This indicates that there is between 1.04 and 1.31 years of available supply of office floorspace in the borough based on the ten-year and five-year averages, respectively.

Table 4.2 Years of available office supply in Tonbridge & Malling (April 2025)

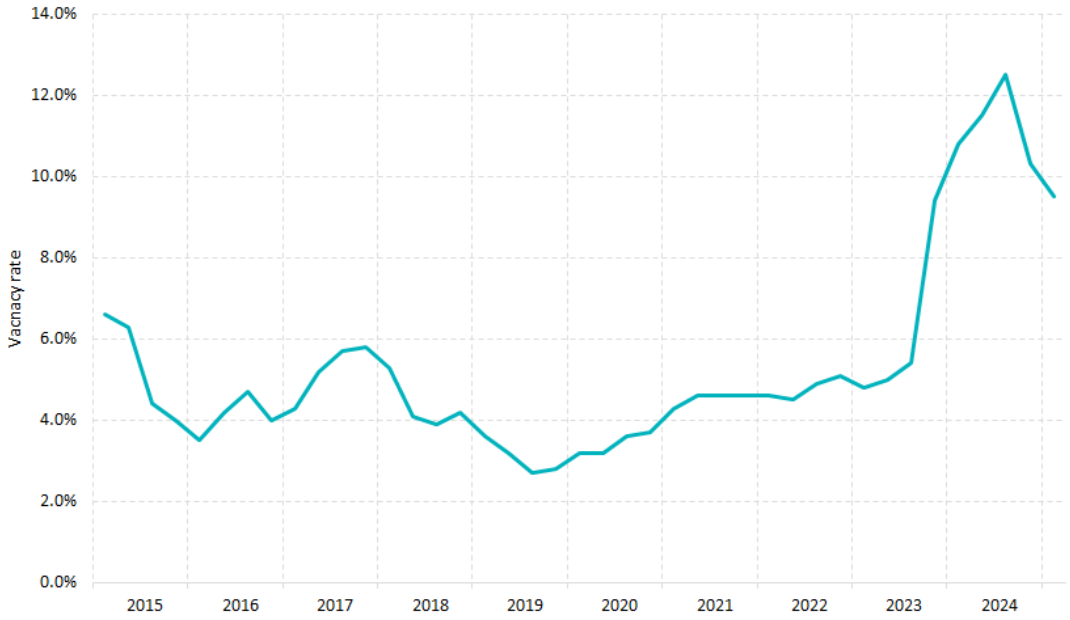
Average annual take-up 2020-2024 (five-year average)	17,650 sq.m
Average annual take-up 2015-2024 (ten-year average)	22,240 sq.m
Available supply as of April 2025	23,150 sq.m
Years of available supply based on:	
Five-year average	**1.31 years**
Ten-year average	**1.04 years**

Source: CoStar (2025) | Lichfields analysis

Vacancy trends

4.38 Figure 4.10 presents historic vacancy rates within the Tonbridge & Malling office stock to Q1 2025. Between 2015 and early 2023, the office vacancy rate fluctuated between 3% and 6%. However, the rate increased dramatically in the last quarter of 2023, reaching 9.4% before peaking at 12.5% in Q3 2024.

Figure 4.10 Office vacancy rates in Tonbridge & Malling, 2015 to 2025



Source: CoStar (2025) | Lichfields analysis

Office rents

4.39 Average market asking rents for offices in the Tonbridge & Malling submarket stood at £22.05 per sq.ft in Q4 2024, down slightly on the Q1 average of £22.46 per sq.ft and comparable to levels last seen in early 2023. As of Q4 2024, the average market asking rent for offices across Kent was £18.31 per sq.ft.

4.40 However, asking rents in Tonbridge & Malling have been consistently higher than the Kent average over the last decade (2015-2024), with the premium in Tonbridge & Malling ranging between £3.14 and £3.95 per sq.ft. This is in contrast to neighbouring Maidstone where average market asking rents have tracked much closer to the Kent average in recent years, while the average asking rent in Tunbridge Wells was £20.36 per sq.ft in Q4 2024: rents in Tunbridge Wells have historically tracked £2 above the Kent average. The Sevenoaks average is comparable to that seen in Tonbridge & Malling, at £22.96 per sq.ft in Q4 2024.

4.41 No offices in Tonbridge & Malling are rated 4 or 5 stars in terms of quality by CoStar[43]. Market asking rents for 3-star premises in the borough have averaged at almost £4 per sq.ft higher than those for 1- and 2-star premises. In 2024, 3-star asking rents averaged at £22.83 per sq.ft, compared to £19.84 per sq.ft for 1 and 2-star premises.

Property market signals: Industrial

National and regional trends

4.42 While the industry outlook for industrial property is generally positive, over the course of 2024 consolidation by retailers and distributors has resulted in a sharp negative turn in net absorption, while vacancy has reached its highest level in over a decade at 5.1% in Q1 2025. Leasing activity has slowed and take-up in 2024 remained broadly level to its 2023 position.

4.43 In the near-term, more favourable inflationary conditions should support occupier demand for small to medium-sized units. However, ongoing operating cost pressures, in addition to high interest rates, increases in business rates, and an uncertain global trade outlook, have left firms hesitant to commit to expansions. Conversely, sales activity indicates that the market is more confident in taking longer-term decisions, particularly among platform and portfolio deals.

4.44 The RICS UK Commercial Property Monitor for Q4 2024 notes that the sector is anticipating further increases in industrial rents, while industrial investment sentiments are positive in contrast to the office and retail sectors.

4.45 Mirroring the national trend, across Kent the vacancy rate in the industrial market increased over the course of 2024, reaching 4.4% by Q1 2025, up from the 3.4% recorded a year prior. In contrast, the dramatic swing in net absorption at the national level is not reflected in Kent, which registered a positive value of 31,200 sq.m over the course of 2024. Kent did not experience the rise in consolidation that affected many industrial markets across the UK: rising vacancy is attributable to the development of new stock while leasing activity slows. Growth in market asking rents slowed substantially over the course of 2024 from 6.0% in Q1 to 3.6% in Q4 – the lowest level seen in over a decade.

Local industrial market

4.46 Tonbridge & Malling represents an attractive location for industrial occupiers, in particular for those seeking warehousing and distribution space. The borough benefits from good

[43] For more detail on the CoStar rating system, see https://www.costar.com/costar-building-rating-system [Accessed August 2025].

access to strategic transport networks and offers cost advantages over nearby centres in London, Kent and Sussex. Despite ongoing economic uncertainty in national markets, the local industrial market in Tonbridge & Malling demonstrates strong demand, with local agents reporting a shortage in supply across all unit sizes, in particular at the most accessible locations such as Aylesford and New Hythe.

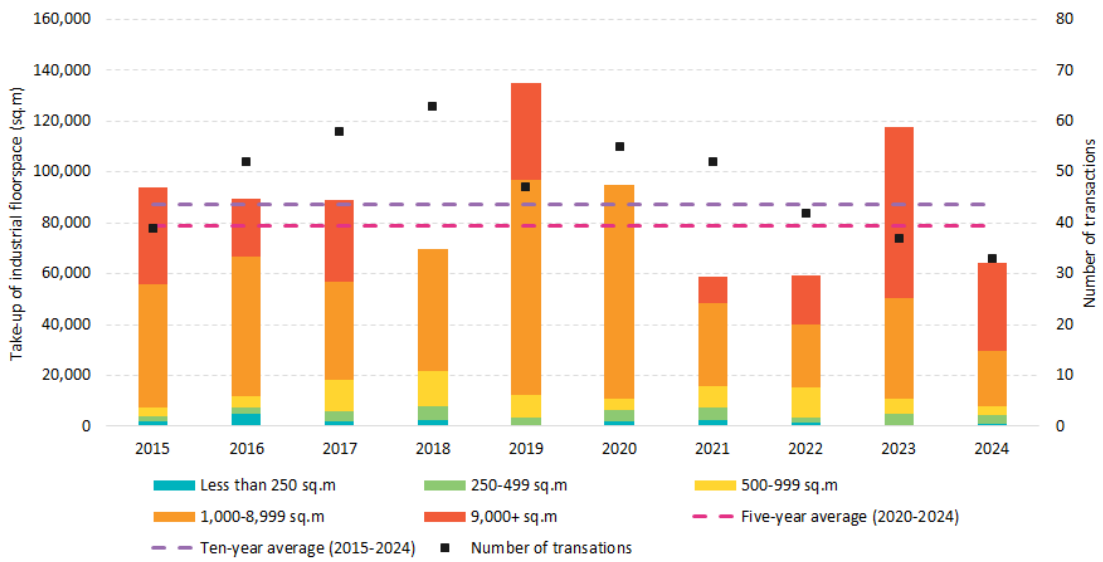
4.47 The Aylesford and New Hythe industrial clusters are located directly on the M20 and compete with the wider M20/M2 industrial corridor for footloose occupiers with large-scale requirements (typically over 5,000 sq.m). Tonbridge & Malling has traditionally been a strong industrial location owing to its print heritage, and today accommodates a mix of older and new industrial uses with a growing focus on storage and distribution warehousing.

4.48 As seen nationally and across Kent, industrial vacancy in Tonbridge & Malling hit a ten-year high in Q4 2024, at 5.9%, while in contrast net absorption has remained positive since early 2020. Market asking rents for industrial space in Tonbridge & Malling are marginally higher than the Kent average, with light industrial units registering some of the highest rates per square foot, however, as seen across Kent growth in asking rents has slowed over the course of 2024.

Take-up by size

4.49 Take-up of industrial floorspace across sales and leasing in Tonbridge & Malling totalled 872,200 sq.m over the ten-year period between 2015 and 2024. As shown in Figure 4.11, take-up is primarily focused on larger units, with 54.8% of take-up within premises of between 1,000 and 9,000 sq.m in size and a further 30.1% in units of over 9,000 sq.m.

Figure 4.11 Take-up of industrial floorspace in Tonbridge & Malling by size, 2015 to 2024



Source: CoStar (2025) | Lichfields analysis

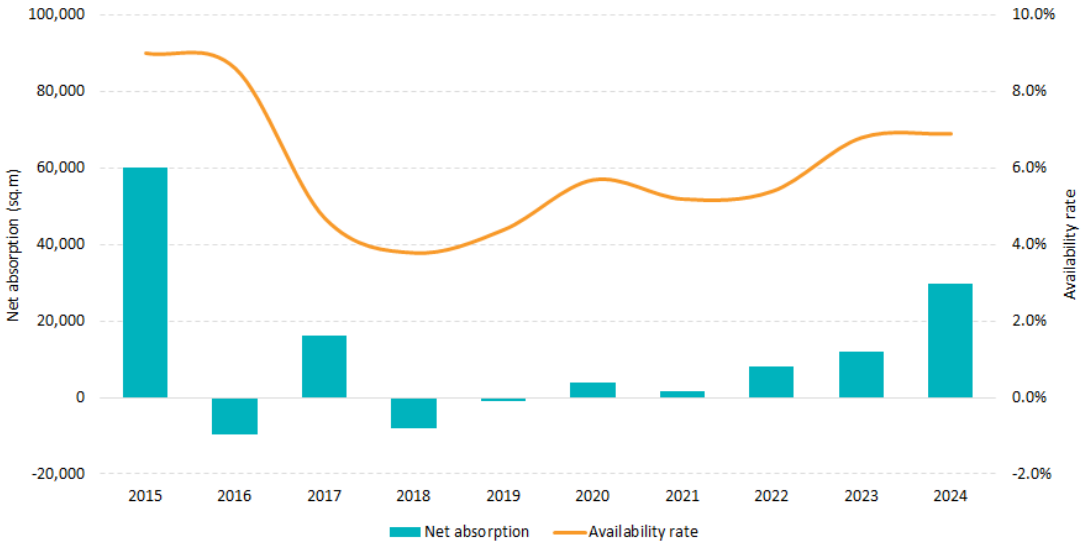
4.50 Total take-up has fluctuated in recent years, declining to under 60,000 sq.m in 2021 and 2022. While there were initial signs of recovery in 2023, with take-up reaching 117,500 sq.m that year, 2024 saw subdued interest in the Tonbridge & Malling industrial market with take-up measuring just 64,100 sq.m. Furthermore, the number of transactions has

steadily declined since 2020, from 55 transactions completed that year to 33 in 2024. However, there has been growth in the take-up of larger units over 9,000 sq.m since 2020, reflecting the nature of new commercial stock that has been built out in recent years.

Net absorption and industrial availability

4.51 Over the past decade (2015-2024), the Tonbridge & Malling industrial submarket (including both industrial and distribution space) has recorded an average annual net absorption rate of +11,350 sq.m. As shown in Figure 4.12, annual net absorption in the borough was negative in 2016, 2018 and 2019 but has been positive and increasing steadily since 2020. Meanwhile, availability rates have also risen from a low of 3.8% in 2018 to reach 6.9% in 2024, but lower than the peak of 9.0% in 2015.

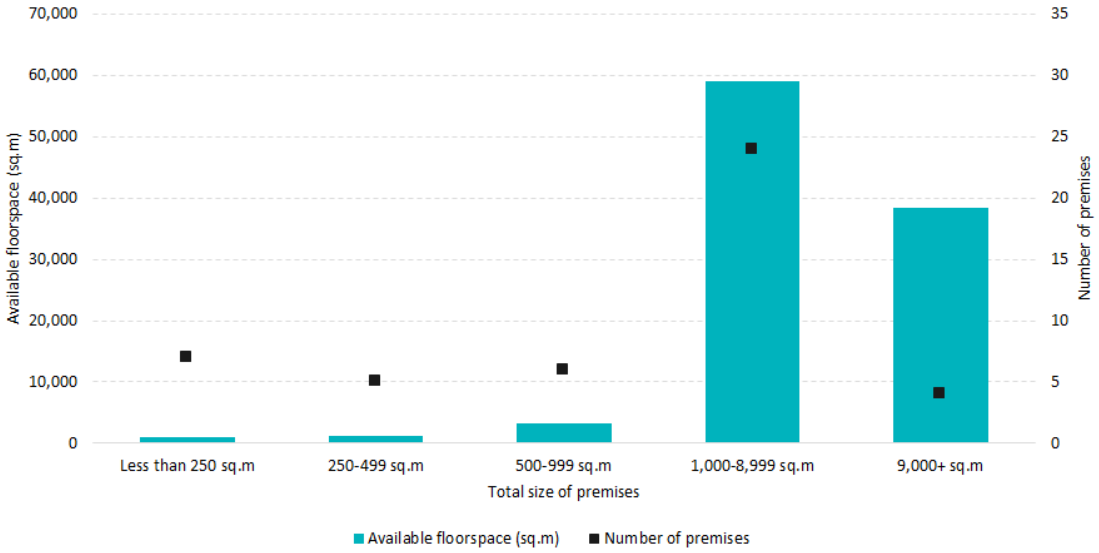
Figure 4.12 Net absorption and availability rate for industrial space in Tonbridge & Malling, 2015 to 2024



Source: CoStar (2025) | Lichfields analysis

4.52 Figure 4.13 shows the available industrial floorspace in Tonbridge & Malling as of April 2025 by size band and number of premises. Of total available space, 57.4% (59,200 sq.m) is within premises offering between 1,000 and 9,000 sq.m, while 37.3% (38,500 sq.m) is within premises of over 9,000 sq.m. In the latter category, the available space is distributed between just four premises, while there are 24 premises of 1,000 to 9,000 sq.m marketing available space. There are 18 premises of less than 1,000 sq.m advertising available industrial space.

Figure 4.13 Available industrial floorspace in Tonbridge & Malling as of April 2025



Source: CoStar (2025) | Lichfields analysis

4.53 Table 4.3 compares the current available supply of industrial floorspace in Tonbridge & Malling against the five-year and ten-year average industrial take-up in the borough. There is estimated to be between 1.18 and 1.30 years of supply based on the five-year and ten-year averages, respectively. This indicates that there is sufficient existing supply of available floorspace to meet short term demand based on recent trends.

Table 4.3 Years of available industrial supply in Tonbridge & Malling (April 2025)

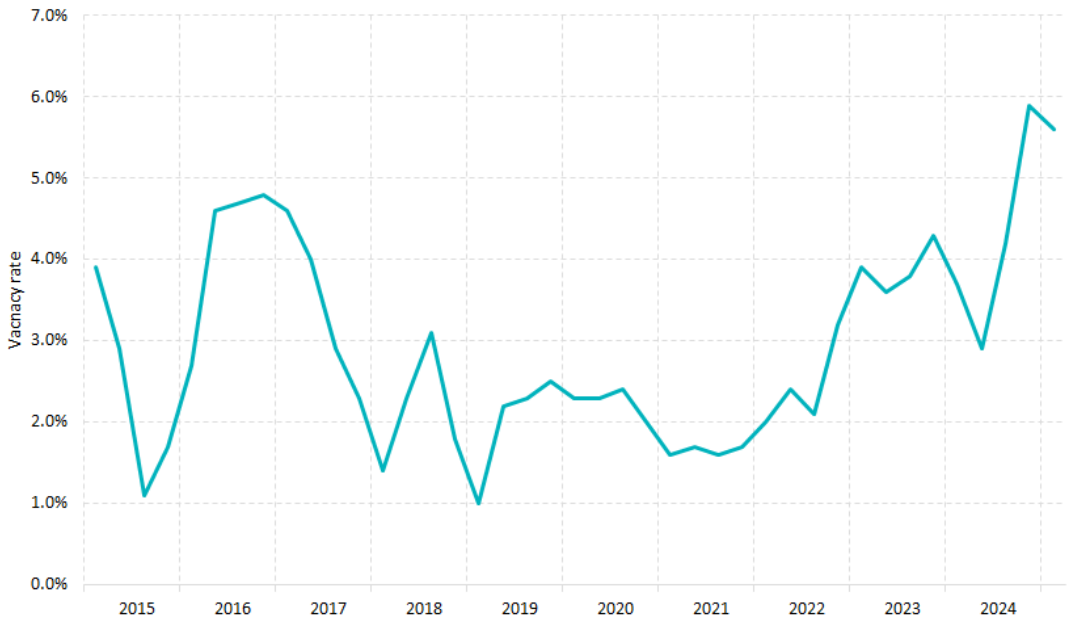
Average annual take-up 2020-2024 (five-year average)	78,975 sq.m
Average annual take-up 2015-2024 (ten-year average)	87,217 sq.m
Available supply as of April 2025	103,028 sq.m
Years of available supply based on:	
Five-year average	**1.30 years**
Ten-year average	**1.18 years**

Source: CoStar (2025) | Lichfields analysis

Vacancy trends

4.54 Figure 4.14 shows the past and forecast future industrial vacancy rate in Tonbridge & Malling from CoStar. Industrial vacancy was at a broadly low level between 2018 and early 2022, hovering at or around 2.0%. However, since the end of 2022 vacancy has increased, peaking most recently at 5.9% in Q4 2024.

Figure 4.14 Industrial vacancy rates in Tonbridge & Malling, 2015 to 2025



Source: CoStar (2025) | Lichfields analysis

Industrial rents

4.55 Market asking rents in Tonbridge & Malling have increased steadily over the past decade, growing 37.1% from an average of £8.94 per sq.ft in 2019 to £12.26 per sq.ft in 2024. While growth slowed in 2024, rents for light industrial units are substantially higher, averaging at £14.35 per sq.ft in 2024.

4.56 Across Kent, the average market asking rent for industrial units in 2024 was £11.72. Neighbouring Maidstone recorded an average asking rent for industrial premises below the Tonbridge & Malling average, at £11.79 per sq.ft in 2024, comparable to the Medway and Tunbridge Wells averages of £11.94 and £11.97 per sq.ft, respectively. The only local authorities within Kent to record average asking rents above the Tonbridge & Malling levels are Sevenoaks (£13.30 per sq.ft), Dartford (£14.07 per sq.ft) and Gravesham (£13.60 per sq.ft).

Summary

4.57 Tonbridge & Malling's commercial property market has undergone significant change in recent years. The overall stock of employment space has declined since the early 2000's, with losses of industrial space in particular outpacing new development. Despite this, the borough continues to accommodate one of the largest commercial property markets in West Kent.

4.58 The economic impact and wider structural changes instigated by the Covid-19 pandemic have had lasting effects on the local office market. Demand remains subdued, with reductions in take-up and enquiries from office occupiers in recent years. While 2024 ended with a surge in office take-up (in terms of sales and leasing) from the completion of the sale of Kings Hill Business Park in early December, this does not necessarily imply

higher demand for commercial property in the borough. Net absorption, which does not factor in sales, remained negative over the course of 2024, reflecting the trend recorded over recent years.

4.59 Demand for office floorspace in Tonbridge & Malling is primarily confined to professional services companies with a focus on high quality 'Grade A' space that offers modern amenities and high-quality specifications. However, there is a limited supply of such premises in the borough, and no offices in Tonbridge & Malling are currently rated 4 or 5 stars by the commercial property analytics service CoStar, in part due to a lack of completions of new office floorspace within the last decade. Local agents report that speculative development of new office space in the borough is not currently financially viable, however, there is evidence that refurbishment and reconfiguration of larger offices into smaller premises is proving popular with the market, particularly among local businesses.

4.60 In contrast, Tonbridge & Malling's industrial market is more buoyant, with most activity focused on Class B8 and mixed industrial uses. Occupier demand is strong, and local agents report that there is a shortage of supply to satisfy business enquiries locally. Take-up is generally focused within larger sized premises (typically between 1,000 and 9,000 sq.m in size), and along the M20 industrial corridor with recently constructed sites including Panattoni Park, Aylesford and Click Aylesford attracting demand from footloose occupiers with large-scale requirements.

4.61 While the borough's stock of industrial and warehousing space has gradually declined over the last decade (with losses outpacing new development), net absorption has remained positive (more space has been occupied than vacated) and rents have gradually increased.

5.0 Future Employment Space Requirements

5.1 This section considers future economic growth needs in Tonbridge & Malling by drawing on several methodologies that are guided by the Planning Practice Guidance (PPG) and aligned to the requirements set out in the National Planning Policy Framework (NPPF).

5.2 The assessment develops a number of potential future economic scenarios to provide an updated framework for considering future economic growth and associated employment space requirements in Tonbridge & Malling borough over the new Local Plan period up to 2042, drawing upon:

1. Projections of employment growth (**labour demand**) within the main office and industrial sectors derived from economic forecasts produced by Experian (December 2024);
2. Consideration of **past trends** in take-up of employment space based on CoStar's latest commercial property data (specifically, net absorption), as reviewed in Section 4.0; and
3. Estimates of future growth of local **labour supply** based on the Council's latest housing evidence aligned with the Standard Method as of March 2025, equivalent to 1,090 dwellings per annum (dpa).

5.3 The outputs from these updated scenarios are presented and discussed in detail below. Each scenario covers the 18-year period from 2024 to 2042 inclusive to be consistent with the emerging Local Plan.

5.4 All of these approaches have limitations and require consideration of how appropriate each is to the circumstances in Tonbridge & Malling. Further, to be robust the economic growth potential and likely demand for employment space in the borough should be assessed under a variety of future scenarios to reflect both lower and higher growth conditions that could arise in the future.

5.5 It should also be noted that the ultimate judgement as to the level of need that the local authority should plan for is not purely quantitative and there will be a number of qualitative factors to consider, some of which are discussed in other sections of this study. These factors will influence the employment space requirements that will need to be planned for and should be considered alongside the following modelled scenarios.

Scenario 1: Labour Demand

5.6 Employment growth forecasts for the borough were obtained from Experian's December 2024 release (the latest available at the time of analysis). These take account of regional and national macroeconomic assumptions prevailing at the time, as summarised in Box 1.

Box 1: Experian Forecast Assumptions, December 2024

The UK economy faces a challenging outlook as it heads into 2025. The ONS revised GDP growth for Q3 2024 downward, showing stagnation, with the services sector failing to expand and production declining by 0.4%. However, the construction sector grew by 0.7%, driven by increased new work. Monthly data for November 2024 showed a slight improvement with GDP rising by 0.1%, aided by growth in services and construction, though production volumes continued to decline.

The labour market weakened further in Q4 2024 as the unemployment rate rose to 4.4% and job vacancies dropped by 24,000. Despite this, wage growth outpaced inflation, with real regular and total wages increasing by 2.5% and 2.4%, respectively. Inflation eased slightly to 2.5% in December, down from 2.6% in November, but is expected to rise later in 2025, peaking at 3.0%. The Bank of England was projected to cut interest rates in February 2025 to support economic activity: this was correct, with the Bank Rate lowered to 4.5% that month.

Business sentiment remained weak in late 2024, with the ICAEW UK business confidence index falling to its lowest level in two years due to concerns over tax hikes. The S&P Global Flash UK PMI Composite Output Index showed modest growth at 50.9 in January 2025, up from 50.4 in December, driven by the construction sector's continued expansion. However, manufacturing and services saw cutbacks, with businesses citing the upcoming National Insurance Contribution (NIC) increase and broader economic uncertainty as reasons for reducing their workforce.

Further detail on the Experian assumptions and methodology is provided in Appendix 1.

5.7 Reflecting the greater than usual degree of uncertainty and variability attached to the most recent forecasts, these may need to be re-assessed closer to the Local Plan examination stage depending on how the economic situation evolves in the intervening period.

Implied employment change

5.8 Table 5.1 summarises the employment change implied by the latest Experian forecasts by office, industrial and distribution uses as well as total employment change over the new Local Plan period. This includes an allowance for jobs in other sectors that typically use office, industrial or warehousing space.

Table 5.1 Forecast employment change in Tonbridge & Malling borough, 2024 to 2042

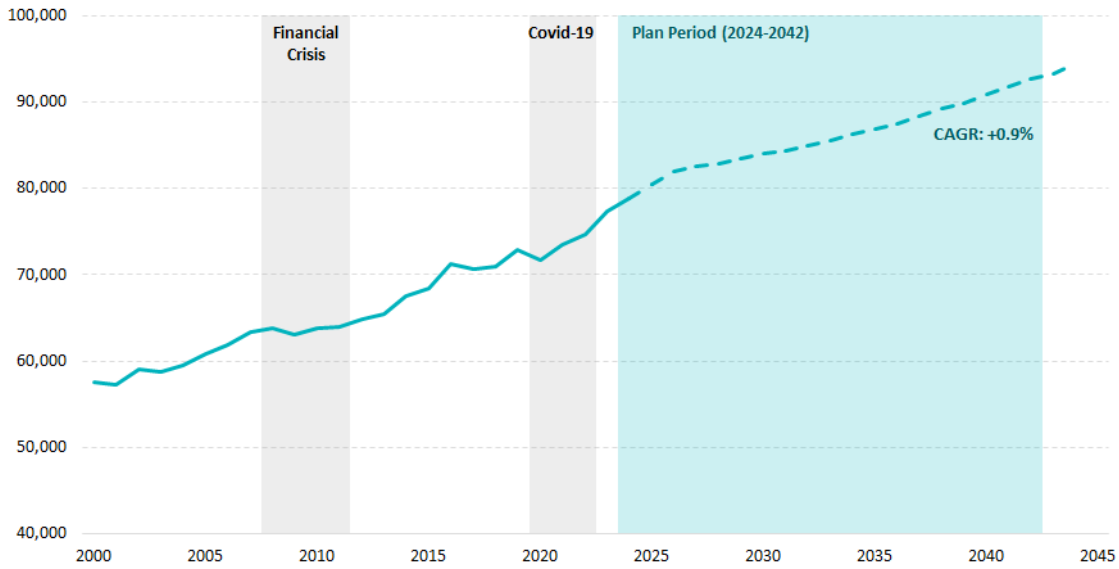
Type of space/Use Class	Number of workforce jobs		Change 2024-2042
	2024	2042	
Office E(g)(i)/(ii)	16,978	21,458	+4,480
Light Industrial E(g)(iii)	4,125	5,317	+1,191
Industrial (B2)	4,857	5,739	+882
Distribution (B8)	9,667	11,367	+1,699
Total Office, Industrial and Distribution	**35,628**	**43,881**	**+8,252**
Total Workforce Jobs	**78,800**	**92,700**	**+13,900**

Source: Experian (December 2024) | Lichfields analysis
N.B. Figures may not sum due to rounding.

5.9 Under this scenario, total workforce jobs are expected to increase by 17.6% over the plan period (2024-2042) resulting in an additional 13,900 workforce jobs by 2042. Over half (59.4%) of workforce job growth is expected to be within the office, industrial and distribution sectors (i.e., sectors that are typically based in Class B/E(g) spaces), with offices accounting for over half of job growth within these uses over the period.

5.10 Figure 5.1 illustrates the past and future trajectory of total workforce job growth in Tonbridge & Malling according to the December 2024 Experian forecasts for the period 2000 to 2044. Under this scenario, the current recovery trajectory from the Covid-19 pandemic continues in the near-term to 2026 before following a stable growth path in the remainer of the plan period, resulting in a compound annual growth rate (CAGR) of 0.9%.

Figure 5.1 Historic and forecast growth in workforce jobs in Tonbridge & Malling, 2000 to 2044



Source: Experian (December 2024) | Lichfields analysis

5.11 Table 5.2 identifies the sectors with the greatest and least employment growth potential during the plan period in the borough.

5.12 The top two sectors in terms of employment growth, professional services and administrative and support services, are both primarily office-based, while growth in the land transport, storage and post is likely to have implications for the distribution sector.

5.13 The forecasts also suggest that wider sectors (i.e., those falling outside the Class B/E(g) uses) such as education and construction will play a significant role in driving job growth in the borough. Only one sector, residential care and social work, is forecast to see a slight reduction in employment of 100 jobs (2.9% of jobs in the sector) over the plan period.

Table 5.2 Fastest growing and declining employment sectors in Tonbridge & Malling borough, 2024 to 2042

Sector	Forecast change in workforce jobs 2024-2042	
	No.	%
Greatest employment growth		
Professional Services	1,800	+30.0%
Administrative & Support Services	1,700	+21.5%
Education	1,500	+24.2%
Land Transport, Storage & Post	1,300	+21.0%
Specialised Construction Activities	1,100	+28.2%
Least employment growth		
Residential Care & Social Work	-100	-2.9%

Source: Experian (December 2024) | Lichfields analysis
N.B. Figures may not sum due to rounding.

Converting to employment space requirements

5.14 The office, industrial and distribution (warehousing) component of these employment growth forecasts are converted to future employment space requirements by applying the latest published job density figures for employment space, which take account of recent trends in occupancy for the different employment uses. The following average ratios have been applied:

- **Offices (E(g)(i)/(ii)):** 1 workforce job per 12.5 sq.m and a plot ratio of 2.0 for town centre uses (assumed to account for 40% of total office stock) and 0.4 for lower density business park style office space (assumed to account for 60% of total office stock);
- **Light industrial (E(g)(iii)):** 1 workforce job per 47 sq.m and a plot ratio of 0.4;
- **General industrial (B2):** 1 workforce job per 37.1 sq.m and a plot ratio of 0.4; and
- **Warehousing (B8):** 1 workforce job per 65 sq.m for smaller-scale warehousing (assumed to account for 80% of warehousing stock in Tonbridge & Malling borough) and 1 workforce job per 71 sq.m for medium scale, lower density units (assumed to account for 20% of total stock). A plot ratio of 0.4 is applied to all warehousing.

5.15 These assumptions are based on the latest guidance on job density ratios produced by the former Homes and Communities Agency (HCA) in 2015. This guidance takes some account of trends in terms of changing utilisation of employment space, including more efficient use of office floorspace due to a higher frequency of flexible working and hot-desking. The job density ratios cited above have been converted, where necessary, to relate to Gross External Area (GEA).

5.16 An allowance of 8% is added to all positive floorspace requirements to reflect ideal levels of market vacancy in employment space. A vacancy rate in the region of 8% is typically considered to represent a 'normal' market equilibrium whereby supply and demand are broadly in balance but there is also sufficient availability and choice for the market to

function and churn[44]. On this basis, Table 5.3 presents the net employment floorspace requirements in relation to the labour demand scenario.

Table 5.3 Scenario 1: Net requirement for office, industrial and distribution floorspace in Tonbridge & Malling, 2024 to 2042

Type of space/Use Class	Net employment floorspace 2024-2042 (sq.m GEA)
Office E(g)(i)/(ii)	60,500
Light industrial E(g)(iii)	60,500
General industrial B2	35,300
Distribution B8	121,500
Total	**278,000**

Source: Experian (December 2024) | Lichfields analysis
N.B. Figures may not sum due to rounding.

Scenario 2: Development Trends

5.17 Annual net absorption data from CoStar measures the floorspace occupied minus floorspace vacated over a specific period based on lease deals. This measure is considered appropriate to capture the market demand for employment floorspace, particularly in a location like Tonbridge & Malling which has seen its overall stock of employment floorspace decline over recent years. This approach aligns with PPG on economic needs assessment[45], which advises that the scale of need can be informed by *"analysis of market signals, including trends in take up and the availability of logistics land and floorspace across the relevant market geographies"* (paragraph 031).

5.18 This measure can help provide a more rounded view of future requirements for employment floorspace than conventional employment forecasts alone. It is therefore considered alongside employment forecasts (i.e., measures of labour demand) which tend to reflect the continued restructuring of the economy away from industry towards services and therefore can underestimate the industrial and warehousing sector's performance and future growth potential.

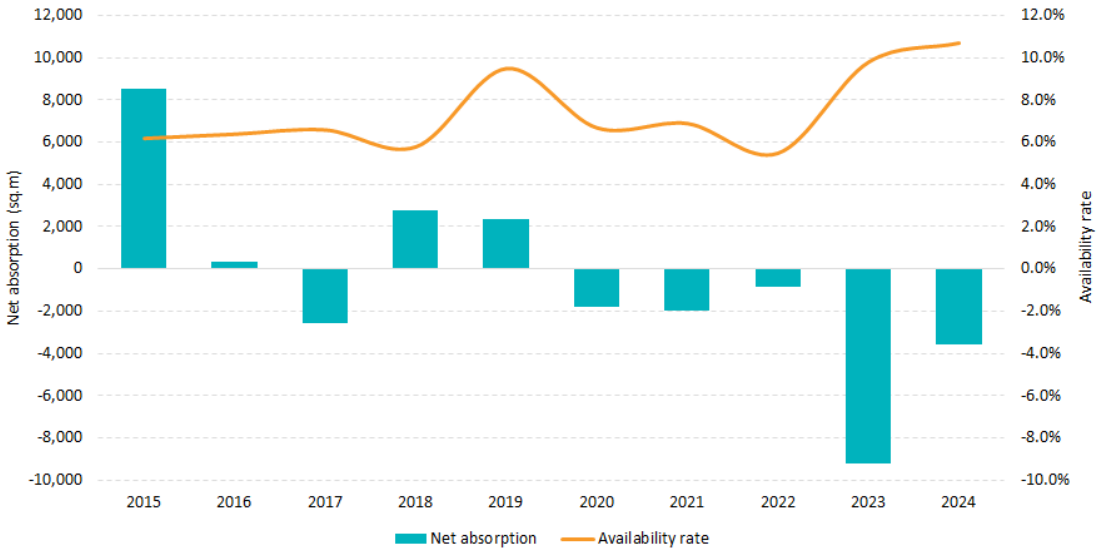
5.19 Furthermore, changes to the industrial and warehousing market (for instance, in response to automation) mean that changes in employment levels may not necessarily be an accurate predictor of future growth in floorspace/land requirements, while other factors such as the growth of e-commerce are not fully reflected. A commentary of net absorption trends across Tonbridge & Malling is provided in Section 4.0 of this report.

Offices

5.20 Figure 5.2 shows net absorption and availability rates for office space in Tonbridge & Malling between 2015 and 2024. Average annual net absorption over this period was -600 sq.m, with take-up in 2024 measuring -3,600 sq.m; 2015 recorded the highest annual figure of 8,500 sq.m. Availability of office space in the borough has historically fluctuated between 5% and 7% and last peaked in 2019 at 9.5%, however, in 2023 and 2024 the availability rate surpassed this level to reach 9.8% and 10.7%, respectively.

[44] Benchmark used in the GLA Land for Industry and Transport Supplementary Guidance and within the London Plan (2021).
[45] MHCLG (2019) Planning Practice Guidance: Housing and economic needs assessment. *Ref. 2a-031-20190722.* Available at: https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments [Accessed August 2025]

Figure 5.2 Net absorption and availability rates for offices in Tonbridge & Malling, 2015 to 2024



Source: CoStar (2025) | Lichfields analysis

Light/General Industrial

5.21 Net absorption of light/general industrial floorspace (excluding distribution) in Tonbridge & Malling has fluctuated year-on-year between positive and negative over the period 2015-2024, as shown in Figure 5.3, falling from a peak of 15,200 sq.m in 2015 to -2,600 sq.m in 2024. Overall, annual average net absorption over this period was positive, at +1,200 sq.m. Meanwhile, availability rates for industrial space have also varied significantly year-on-year over the period, peaking in 2017 at 5.5%.

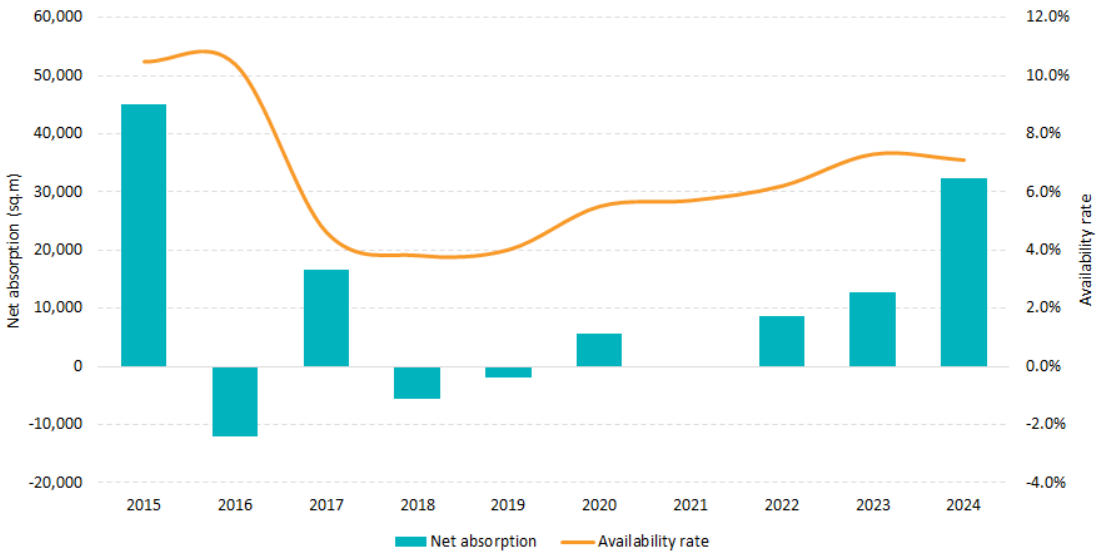
Figure 5.3 Net absorption and availability rates for industrial space in Tonbridge & Malling, 2015 to 2024

Source: CoStar (2025) | Lichfields analysis

Distribution

5.22 Net absorption of storage and distribution floorspace in Tonbridge & Malling has been broadly positive over the period 2015-2024, as shown in Figure 5.4. After peaking in 2015 at 45,100 sq.m, net absorption reached its highest level since in 2024 at 32,300 sq.m. Net absorption was subdued between 2018 and 2021 after a sharp fall in availability between 2016 and 2017. Availability rates have risen steadily since, reaching 7.1% in 2024.

Figure 5.4 Net absorption and availability rates for distribution space in Tonbridge & Malling, 2015 to 2024



Source: CoStar (2025) | Lichfields analysis

5.23 If these trends in net absorption across Tonbridge & Malling were to continue throughout the plan period (2024-2042) this would generate a requirement for an estimated 194,000 sq.m of office, industrial and distribution floorspace by the end of the period, as shown in Table 5.4.

Table 5.4 Estimated net demand for office, industrial and distribution floorspace in Tonbridge & Malling between 2024 and 2042 based on past net absorption trends

Type of space/Use Class	Annual average net absorption 2015-2024 (sq.m)	Estimated total net absorption 2024-2042 (sq.m)
Office E(g)(i)/(ii)	-600	-10,800
Light/general industrial E(g)(iii)/B2	1,200	21,800
Storage and distribution B8	10,100	182,000
Total office, industrial and distribution	**10,800**	**194,000**

Source: CoStar (2025) | Lichfields analysis
N.B. Figures may not sum due to rounding.

Latent demand

5.24 As noted previously, a vacancy rate in the region of 8% is typically considered to represent a 'normal' market equilibrium whereby supply and demand are broadly in balance, while maintaining sufficient availability and choice for the market to function and churn[46].

5.25 CoStar data indicates that the vacancy rate for office space across Tonbridge & Malling averaged at 5.4% between 2015 and 2024, with a low of 2.8% recorded in 2019[47]. Industrial premises saw an average vacancy rate of 1.7% over the same period, with a low of 0.5% in 2015, while the average vacancy in the storage and distribution sector was 3.2%.

5.26 Vacancy rates for industrial and distribution premises in the borough have therefore been consistently below the 8% benchmark, indicating that these markets have been supply-constrained over the past decade, giving rise to suppressed or 'latent' demand as not all occupiers can find space to meet their needs. As a result, they are either forced to remain in their existing premises or find suitable premises elsewhere, leading to an opportunity cost in terms of jobs and investment in the borough in addition to longer-distance and less sustainable journeys being required by workers and businesses to meet the needs of the local market.

5.27 Conversely, vacancy in the office market was above 8% in both 2023 and 2024, recording rates of 9.4% and 10.3%, respectively. This is likely attributable to the changing requirements of office-based companies since the pandemic, shifting toward higher-quality offices with smaller floorplates. As such, data for the past decade on availability and net absorption in the Tonbridge & Malling office market suggest there is less demand for office spaces than for industrial and distribution premises.

5.28 By taking 8% availability[48] as the market equilibrium, it is possible to estimate the extent of latent demand for each year in the period 2015-2024 as the additional supply required to reach this level of vacancy based on availability and net absorption data. The average level of latent demand over the past decade is extrapolated over the plan period to provide an estimate of latent demand based on past trends, as shown in Table 5.5.

Table 5.5 Latent demand for office, industrial and distribution uses in Tonbridge & Malling, 2015-2024 (historic) and 2024-2042 (extrapolated)

Type of space/Use Class	Average annual latent demand 2015-2024 (sq.m)	Total latent demand 2024-2042 (sq.m)
Office E(g)(i)/(ii)	-13	-230
Light/general industrial E(g)(iii)/B2	2,090	37,600
Storage and distribution B8	1,930	34,700
Total office, industrial and distribution	**4,010**	**72,100**

Source: CoStar (2025) | Lichfields analysis
N.B. Figures may not sum due to rounding

[46] Benchmark used in the GLA Land for Industry and Transport Supplementary Guidance (https://www.london.gov.uk/sites/default/files/gla_migrate_files_destination/SPG%20Land%20for%20Industry%20and%20Transport.pdf) and within the London Plan (2021) (https://www.london.gov.uk/sites/default/files/the_london_plan_2021.pdf).
[47] The vacancy rate is distinct from the availability rate, as the latter considers all space marketed, regardless of whether it is currently vacant or occupied. As such, availability rates will be higher than vacancy rates.
[48] The availability rate is applied in this instance as this includes both vacant space and space that will become vacant in the future.

Scenario 2 synthesis

5.29 Scenario 2 (Development Trends) considers both the demand indicated by past trends in net absorption and the effect of the potential latent demand in the office, industrial and distribution sectors. As shown in Table 5.6, combining these components results in an overall requirement for 266,000 sq.m of floorspace over the plan period 2024-2042.

Table 5.6 Scenario 2: Net requirement for office, industrial and distribution floorspace in Tonbridge & Malling, 2024 to 2042

Type of space/Use Class	Net absorption (sq.m)	Latent demand (sq.m)	Total requirement (sq.m)
Office E(g)(i)/(ii)	-10,800	-230	-11,000
Light/general industrial E(g)(iii)/B2	21,800	37,600	59,500
Storage and distribution B8	182,000	34,700	217,000
Total office, industrial and distribution	**194,000**	**72,100**	**266,000**

Source: CoStar (2025) | Lichfields analysis
N.B. Figures may not sum due to rounding

Scenario 3: Labour Supply

5.30 It is also useful to consider how many jobs, and hence how much employment space, would be necessary to broadly match forecast growth of the resident workforce in Tonbridge & Malling over the period 2024-2042. This approach estimates the number of new jobs needed to match the future supply of working-age, economically active population in the borough, and how much employment space would be needed to accommodate the office, industrial and distribution component of these jobs.

5.31 A labour supply scenario has been considered based on the Standard Method housing target of 1,090 dwellings per annum (dpa), or 19,620 dwellings over the plan period (2024-2042)[49]. Based on this level of housing delivery, projections from Iceni[50] suggest there would be an additional 25,700 jobs supported in Tonbridge & Malling over the period 2024-2042.

5.32 Applying the existing and forecast share of employment jobs by type of space from the Experian forecasts used within Scenario 1 implies an additional 15,300 jobs requiring employment use floorspace, resulting in a net requirement for c.514,000 sq.m of employment floorspace in the borough over the plan period, as shown in Table 5.7.

[49] At a late stage in the preparation of this study, the Standard Method figure for Tonbridge & Malling was revised from 1,090 to 1,097 dpa. It is not considered that this change would result in any material change to the recommendations of this report.
[50] Iceni (2025) Tonbridge and Malling Local Housing Needs Assessment Initial Findings

Table 5.7 Scenario 3: Net requirement for office, industrial and distribution floorspace in Tonbridge & Malling, 2024 to 2042

Type of space/Use Class	Employment change (2024-2042)	Employment floorspace requirement (sq.m)
E(g)(i)/(ii)	+8,300	111,900
E(g)(iii)	+2,200	111,900
B2	+1,600	65,400
B8	+3,100	224,800
Total	**+15,300**	**514,000**

Source: Lichfields analysis
N.B. Figures may not sum due to rounding

Planning requirements

Safety margin

5.33 To estimate the overall requirement for employment floorspace to be planned for when allocating sites, and to give some flexibility of provision, it is typical to add an allowance as a 'safety margin' to accommodate for various factors, such as delays in sites coming forward for development.

5.34 There is a need to ensure a reasonable, but not over-generous, additional allowance that provides flexibility while avoiding over-provision of land through policy. A standard approach would add two years of net completions as the allowance. However, TMBC monitoring data shows that average net completions over the monitoring period were negative for all uses and hence would result in negative margins. Therefore, the allowance applied is equal to two years of gross completions based on the 2011-2024 average. This is presented in Table 5.8.

Table 5.8 Average annual gross completions and safety margin allowance

Type of space/Use Class	Average annual gross completions 2010/11-2023/24 (sq.m)	Safety margin added (sq.m)
Office E(g)(i)/(ii)	n/a	n/a
Light industrial E(g)(iii)	2,290	4,590
General industrial B2	2,980	5,960
Distribution B8	7,030	14,100
Total	**12,300**	**24,650**

Source: TMBC (2025) | Lichfields analysis
N.B. Figures may not sum due to rounding.

5.35 No specific safety margin allowance is included for office uses given that the overall requirement is likely to be relatively modest over the plan period.

Losses

5.36 To translate the net requirement for employment space into a gross requirement, an allowance is typically made for the replacement of losses of existing employment space that may be developed for other, non-employment uses. This allowance ensures that sufficient space is re-provided to account for employment space that is anticipated to be lost in the borough.

5.37 There are typically four approaches to calculate the level of this allowance, including:

1. Forecast the quantity of floorspace that will be lost in future and assume that a proportion of this space will need to be replaced. However, there is no definitive way to forecast how much space will be lost, and future patterns will not necessarily follow past trends. If this method is used, TMBC would need to look carefully at past losses and use local knowledge to make a judgement on how the future might compare with the past.
2. Make an overall adjustment to the preferred scenario to give an allowance for replacement. This is a simple approach but would rely on the application of broad assumptions.
3. Monitor the loss of employment space through regular reviews in the Local Plan, thereby avoiding the need to make assumptions on the future loss of employment space. If these periodic reviews indicate a loss of higher-quality, occupied floorspace and vacancy rates remain low, TMBC could take steps to replace this space by increasing the floorspace requirement accordingly. However, any Local Plan review reflecting the monitoring findings would take some years to come forward.
4. As part of its employment evidence, TMBC undertakes a qualitative assessment of existing employment sites to identify those which could be lost to non-employment uses, either because they are no longer suitable or viable for employment or because they are judged as being needed for an alternative use, such as housing. Based on this assessment the employment land calculation can develop different scenarios to illustrate possible futures, and plan for new sites accordingly.

5.38 The fourth approach, in which TMBC specifically identifies employment sites and areas that may be lost to other uses, is typically the most robust way of addressing losses. A qualitative assessment of existing employment areas is an essential element of the planning evidence base. As well as policies and decisions regarding new development sites, it informs policies on the safeguarding or release of existing employment sites. Without such policies, there is a risk of losing employment land to other uses which may be desirable to safeguard. However, this approach also risks protecting sites which do not merit protection, for example because they are no longer suitable or are not commercially attractive for employment.

5.39 On this basis, no further allowance for losses is specifically applied.

Summary and recommendations

5.40 Table 5.9 and Table 5.10 present the gross employment floorspace and land requirements, respectively, for Tonbridge & Malling over the plan period (2024-2042).

Table 5.9 Gross employment floorspace requirements in Tonbridge & Malling, 2024 to 2042 (sq.m GEA)

Type of space/Use Class	Scenario 1: Labour Demand	Scenario 2: Development Trends	Scenario 3: Labour Supply
Office E(g)(i)/(ii)	60,500	-11,000	111,900
Light/general industrial E(g)(iii)/B2	106,400	70,000	187,800
Distribution B8	136,000	231,000	239,000
Total	**302,900**	**290,000**	**538,700**

Source: Lichfields analysis
N.B. Figures may not sum due to rounding.

5.41 The above floorspace requirements can be translated into land requirements by applying appropriate plot ratio assumptions. These are as follows:

- **Offices:** 40% of new floorspace is assumed to be in lower density, business park developments with a plot ratio of 0.4. The remaining 60% are assumed to be within higher density, town centre locations with a plot ratio of 2.0.
- **Light industrial, industrial and distribution:** All sites are assumed to have a plot ratio of 0.4.

Table 5.10 Gross employment land requirements in Tonbridge & Malling, 2024 to 2042 (ha)

Type of space/ Use Class	Scenario 1: Labour Demand	Scenario 2: Development Trends	Scenario 3: Labour Supply
Office E(g)(i)/(ii)	7.9	-1.4	14.5
Light/general industrial E(g)(iii)/B2	26.6	17.5	47.0
Distribution B8	34.0	57.8	59.7
Total	**68.5**	**73.9**	**121.2**

Source: Lichfields analysis
N.B. Figures may not sum due to rounding.

5.42 With regard future employment space requirements consideration should be paid to PPG on economic needs assessment, which states that local authorities should develop an understanding of the future economic needs of their area based on a range of data and forecasts of quantitative and qualitative requirements. In this respect, planning for growth should avoid reliance upon a single source of data or forecast as these tend to themselves rely on a range of different variables that are inevitably subject to change.

5.43 Economic models and forecasts are subject to numerous uncertainties, and as such it is important to recognise the limitations of the future growth scenarios considered within this assessment. There are inherent limitations in the use of local-level economic projections, especially within the context of significant economic uncertainty and instability at both the macro and local level. Employment forecasts are regularly updated and therefore any outputs based upon these forecasts will be subject to change over the plan period.

5.44 This assessment considers three scenarios for future employment space requirements in the borough based on approaches that reflect forecast economic growth, past development trends, and potential housing growth. The gross employment requirements resulting from these scenarios range between 290,000 sq.m and 538,700 sq.m, or between 68.5 ha and 121.2 ha in land terms.

5.45 Shown in Section 4.0, the latest data on commercial property market trends show that the borough's stock of office floorspace has gradually declined in recent with virtually no new development since the Covid-19 outbreak in 2020 and very little over the past decade more generally. Net absorption has also been negative, indicating more office space has been vacated than occupied. Nevertheless, Tonbridge & Malling is primarily a service-based economy and Experian forecasts show that the professional, administrative and support sectors are expected to grow strongly in employment terms over the period to 2042. This is likely to generate a localised requirement for (high quality) office space.

5.46 While it is recognised that the Council is planning to meet its Standard Method housing requirement in full, which would be expected to increase in the resident office-based workforce, consideration of past trends and growth forecasts lead us to recommend the Council plan for a modest office requirement, in line with the gross requirement implied by Scenario 1 (Labour Demand) of 60,500 sq.m or 7.9 ha.

5.47 Conversely, Tonbridge & Malling's industrial market is comparatively more buoyant than offices, with most activity focused on Class B8 and mixed industrial uses, although the post-Covid upsurge in demand has now begun to cool down. While the borough's stock of industrial and warehousing space has gradually declined over the last decade with losses outpacing new development, net absorption has remained positive, new stock has been built in recent years or is under construction currently, and rents have gradually increased. On this basis, we recommend planning to accommodate future industrial requirements associated with Scenario 2 (Development Trends), which is equivalent to 301,000 sq.m or 75.3 ha by 2042.

6.0 Demand/Supply Balance

6.1 This section compares the forecasts of future employment land needs estimated within Section 5.0 with the latest supply position to identify any surplus or deficit in the planned provision of employment space within Tonbridge & Malling over the plan period.

Sources of supply: extant permissions

6.2 Table 6.1 provides a summary of the employment floorspace associated with latest extant planning permissions (as of 31 March 2024) supplied by TMBC. This suggests that these planning permissions could deliver a total of 204,419 sq.m of employment floorspace in net terms if implemented in full.

Table 6.1 Extant planning permissions at 31 March 2024

Use Class	Net Floorspace (sq.m)	Not Started	Under Construction
E(g)	-9,963	-5,479	-4,484
B8	34,695	33,634	1,061
B2	17,209	301	16,908
Mixed B/E(g)	162,478	155	162,323
Total	**204,419**	**28,611**	**175,808**

Source: Tonbridge & Malling Borough Council

6.3 The majority (86%) of this floorspace is currently under construction and relates to a flexible mix of B/E(g) class uses (B1-B8). Council monitoring data also shows that most of this floorspace (159,235 sq.m or 78%) relates to the redevelopment of the former Aylesford Newsprint site by Panattoni for a flexible range of Class B1c (now E(g)(iii)), B2 and B8 buildings, and is under construction as of August 2025.

6.4 Other notable permissions include 34,488 sq.m of Class B8 open storage at Land North of Lodge Farmhouse in Aylesford and 20,000 sq.m at Innovation Park Medway, Rochester Airport to support the creation of a mixed-use business park, with a focus on high tech and innovation-oriented E(g) and B2 commercial uses. Elsewhere, permissions are relatively small in scale and/or involve the loss of employment floorspace as part of a change of use application.

Quantitative balance

6.5 Table 6.2 compares the borough's supply position with the range of scenarios for future needs as set out in Section 5.0. Only extant planning permissions for employment floorspace are included within the supply position on the basis of their planning status and relative certainty.

Table 6.2 Demand/supply balance: extant planning permissions as of 31 March 2024

	Scenario 1: Labour Demand	Scenario 2: Development Trends	Scenario 3: Labour Supply
Floorspace requirement	302,900	290,000	538,700
Employment supply/capacity	204,419		
Surplus/shortfall (+/-)	-98,481	-85,581	-334,281

Source: Lichfields analysis

6.6 This indicates that extant permissions are insufficient, in quantitative terms, to accommodate any of the future growth scenarios in full. Additional supply from other sources will be required to accommodate even the lowest employment space requirement associated with Scenario 2 (development trends). As such, the following analysis considers the suitability of the sites submitted during the 2023 and 2025 call for sites, in addition to existing site allocations.

6.7 It should be noted that the quantitative balance analysis assumes all extant planning permissions are implemented in full during the Local Plan period. Any deviation from this assumption may affect the future balance of employment floorspace within the borough.

Site assessments

Existing site allocations

6.8 The review of existing employment site allocations, summarised in Appendix 2, indicates that the borough contains a reasonable range of employment sites of differing quality. Generally, the range of sites comprises of good quality, well maintained stock with low vacancy levels, particularly within larger and more established employment locations such as New Hythe, Forstal Road and Quarry Wood. This demonstrates that this type of employment space is meeting the requirements of the market.

6.9 Strategic employment areas are designated by the Council as those which have been subject to major investment or could attract major investment in the future, in addition to offering good road access and providing premises for significant or multiple businesses, in turn supporting economic growth in the borough. Sites identified by the Council as strategic employment areas include New Hythe, Forstal Road and Quarry Wood as mentioned above, in addition to Tonbridge Town Centre, Kings Hill Business Park and Tonbridge Industrial Area, among others.

6.10 However, the site assessment process undertaken as part of this study indicates that there is no significant capacity within the borough's existing employment sites to accommodate new development and as such no specific capacity allowance has been made for the purposes of this analysis.

Potential site allocations

6.11 Sites submitted to the Council's recent call for sites exercises in 2023 and 2025 have been assessed to consider their suitability as potential employment allocations within the new Local Plan. The results from this audit are presented in Appendix 3.

6.12 Of the 35 sites submitted through the Council's 2023 call for sites, six are considered as potentially suitable for development or intensification of employment land. These sites comprise a total of approximately 37.7 ha of land.

6.13 Of the 11 sites submitted through the Council's 2025 call for sites, 10 are considered potentially suitable for accommodating future employment uses either through intensification and/or (re)development. Together, they could provide capacity for at least 28 ha of employment land. This figure could be increased if mixed use redevelopment at Botany, within Tonbridge town centre, were to include some element of employment use.

6.14 Collectively, the 16 sites considered to be potentially suitable could provide capacity for at least 65.7 ha of employment land to accommodate future growth and business needs within the borough. Applying an indicative 0.4 plot ratio to the approximate 65.7 ha capacity identified across these sites suggests that, collectively, they could provide in the region of 260,000 sq.m of employment floorspace.

6.15 As such, not all would be needed in overall quantitative terms to meet the remaining shortfall under Scenarios 1 (Labour Demand) and 2 (Development Trends). Under Scenario 3, a shortfall of approximately 74,000 sq.m would still remain.

6.16 In considering which sites could be most suitable for allocation, the Council should ideally seek to identify a mix of locations across the borough, including within areas of strongest occupier demand such as Aylesford and New Hythe, the M20 industrial corridor, and settlements which already accommodate an established business base (such as Tonbridge and Snodland). Sites should also be selected based on their ability to support a mix of employment uses, to provide some flexibility and also to respond to market demand.

7.0 Sector Growth Opportunities

7.1 This section provides an updated analysis and commentary on key sector growth opportunities within the borough, with a specific focus on 'modern economy' sectors identified in the updated NPPF.

Modern economy sectors

7.2 The 'modern economy' forms part of the Government's drive to achieve a greater quantum of commercial development in high-growth sectors. To achieve this, the December 2024 update to the NPPF requires local planning authorities to proactively support and encourage the development of these sectors through the planning system, in both policy and decision-making.

7.3 At paragraph 86c, the NPPF states that planning policies should:

"…pay particular regard to facilitating development to meet the needs of a modern economy, including by identifying suitable locations for uses such as laboratories, gigafactories, data centres, digital infrastructure, freight and logistics."

7.4 The NPPF further establishes that planning policies and decisions *"should recognise and address the specific locational requirements of different sectors"* (paragraph 87). This includes:

"(a) clusters or networks of knowledge and data-driven, creative or high technology industries; and for new, expanded or upgraded facilities and infrastructure that are needed to support the growth of these industries (including data centres and grid connections);

(b) storage and distribution operations at a variety of scales in suitably accessible locations that allow for the efficient and reliable handling of goods, especially where this is needed to support the supply chain, transport innovation and decarbonisation; and

(c) the expansion or modernisation of other industries of local, regional or national importance to support economic growth and resilience."

7.5 Within the supporting NPPF consultation guidance and outcome[51], paragraph 3 of chapter 7 defines the four "key industries" of the modern economy:

a Laboratories

b Gigafactories (battery cell manufacturing plants)

c Digital infrastructure (including data centres)

d Freight and logistics

7.6 This report considers the modern economy to be characterised by these four industries and their associated land uses. In terms of employment land implications, 'digital infrastructure' is taken to refer to data centres.

[51] MHCLG (2024) Consultation outcome: Proposed reforms to the national planning policy framework and other changes to the planning system. Available at: https://www.gov.uk/government/consultations/proposed-reforms-to-the-national-planning-policy-framework-and-other-changes-to-the-planning-system/ [Accessed August 2025]

Defining modern economy industries

7.7 The modern economy as defined within the NPPF relates to land uses rather than defined economic activities. For example, the activities conducted in a laboratory can vary greatly between 'wet labs' focusing on life sciences and pharmaceuticals and 'dry labs' specialising in computing and robotics.

7.8 While a focus on land use is appropriate for planning purposes, it needs to be 'translated' to typical industrial definitions to establish the existing footprint and growth potential of the modern economy in a particular area. Official statistics from the ONS and other government sources are primarily based on the 2007 Standard Industrial Classification (SIC 2007) system, and data from these sources are required to gain a deeper picture of prevailing conditions and for analysing industry forecasts.

7.9 Table 7.1 summarises the SIC 2007 group definitions which are applied for the purposes of this report: these sectors represent a best-fit to the direct activities associated with the modern economy.

Table 7.1 Modern economy sectors

Industry	Sector (SIC 2007 3-digit)
Laboratories	72.1: Research and experimental development on natural sciences and engineering
Gigafactories	27.2: Manufacture of batteries and accumulators
	29.1: Manufacture of motor vehicles
Digital Infrastructure	63.1: Data processing, hosting and related activities; web portals
Freight	49.2: Freight rail transport
	49.4: Freight transport by road and removal services
	50.2: Sea and coastal freight water transport
	50.4: Inland freight water transport
	51.2: Freight air transport and space transport
Logistics	52.1: Warehousing and storage
	52.2: Support activities for transportation

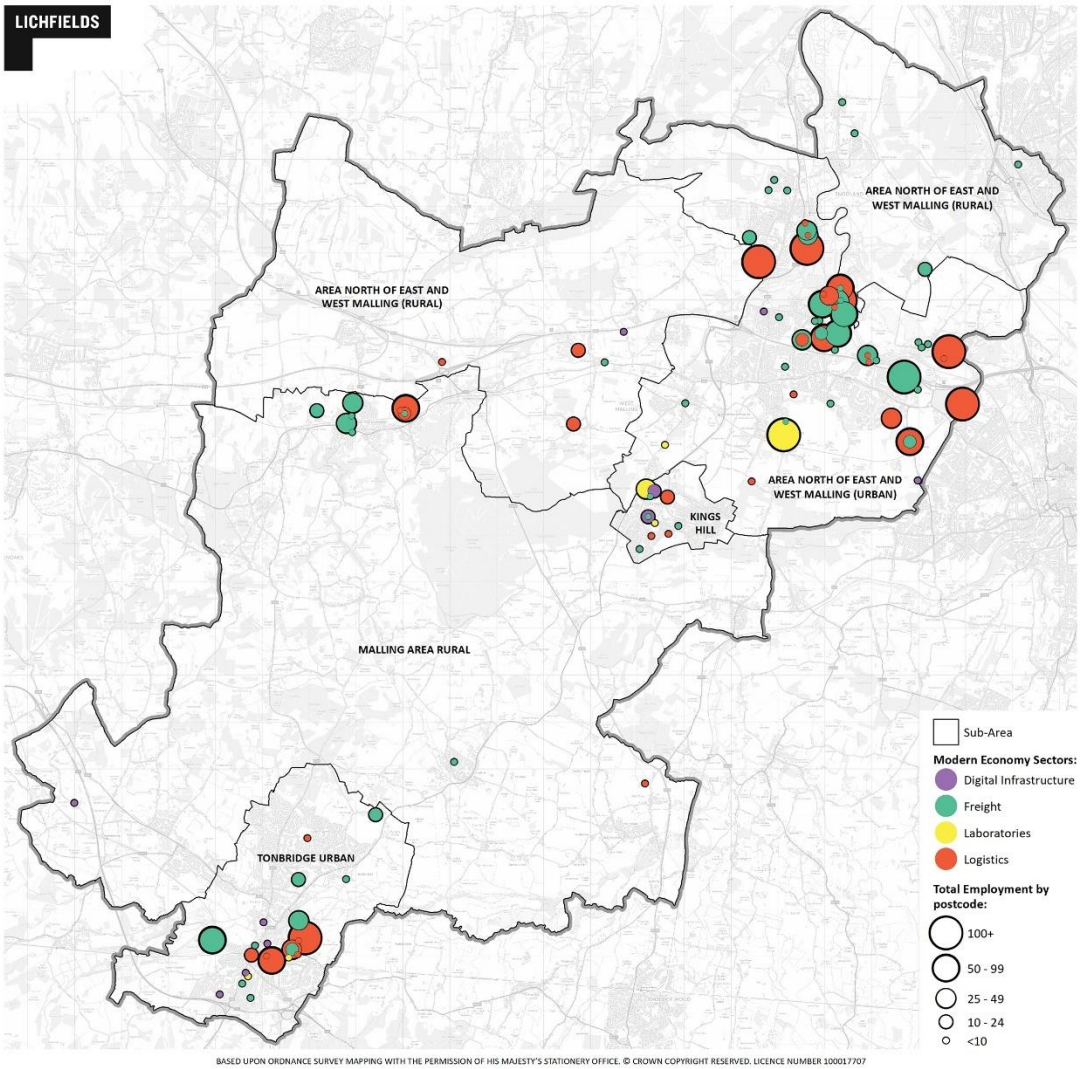
Source: Lichfields

Representation within Tonbridge & Malling

7.10 Using ONS data from the Inter Departmental Business Register (IDBR), it is possible to examine the existing representation and contribution that modern economy sectors play within Tonbridge & Malling's economy. This is shown in Figure 7.1 which maps employment concentration by postcode.

7.11 All but one of the industries related to the modern economy have an established presence within Tonbridge & Malling, to varying extents. Freight and logistics are the dominant sectors locally both in terms of business counts and employment. Meanwhile, laboratories and digital infrastructure also have a presence locally but to a much lesser degree. Analysis of IDBR data does not identify any economic activity within gigafactory-related sectors in Tonbridge & Malling.

Figure 7.1 Modern economy sectors – total employment in Tonbridge & Malling



Source: Lichfields analysis, drawing on ONS IDBR 2025

Laboratories

7.12 The laboratories sector can be broadly divided between 'wet labs' focusing on medicine, pharmaceuticals and life sciences, and 'dry labs' specialising in robotics, computing and related activities. The split of laboratory demand between wet and dry labs is in a state of flux. While London in particular has seen high demand for wet lab space in recent years[52], advances in Artificial Intelligence (AI) technology have increased demand for dry lab spaces in the life sciences sector[53]. Globally, demand for laboratories in the life sciences sector stems from a growing and ageing population in tandem with rapid technological and scientific advancement.

[52] MedCity London (2024) London Lab Showcase: MedCity Report July 2024. Available at: https://medcityhq.com/wp-content/uploads/2024/07/MedCity-Lab-Showcase-Report-V6-1.pdf [Accessed August 2025]

[53] JLL (11 December 2024) *From wet to dry: How AI is shaking up laboratory design.* Available at: https://www.jll.co.uk/en/trends-and-insights/investor/from-wet-to-dry-how-ai-is-shaking-up-laboratory-design [Accessed August 2025]

7.13 The short- to medium-term national outlook for the life sciences sector, the key industry most closely associated with (wet) laboratory space, is strong, with demand for space outstripping current available supply[54].

7.14 Figure 7.1 identifies laboratory-related businesses in the borough based on their employment size as recorded by the ONS IDBR (2025). The largest concentration is based at the East Malling Research Station, which specialises in horticultural and agricultural research, with smaller concentrations at nearby Kings Hill. However, there are no established clusters of laboratory-related businesses within the borough. If future growth of the laboratory sector in Tonbridge & Malling is to be supported, appropriate facilities and/or sites that allow for agglomeration and collaboration would need to be identified, along with sufficient incentives. Based on the current position, it is considered that Tonbridge & Malling is likely to have a relatively low comparative advantage in the sector at the national level.

Gigafactories

7.15 The demand, and hence outlook, for gigafactories is closely linked to the EV market. AutoTrader's Road to 2030 report highlights steady growth EV sales as a proportion of total car sales since 2020, however, in the last year new registrations have stalled at around 22%[55]. In 2024, the UK recorded 170,000 electric car sales, equivalent to 2.6% of global sales[56]. Global battery in the energy sector demand hit 1 Terawatt hour (TWh) in 2024; 85% of demand is attributable to electric cars[57].

7.16 At present the UK's only battery gigafactory is the AESC (Nissan) plant in Sunderland. Confirmed future capacity include an expansion of the AESC Sunderland plant, Agratas in Somerset and Volklec in Coventry. Together, these facilities will provide a capacity of approximately 66 GWh per annum, against a forecast need of 110 GWh by 2030[58].

7.17 There are no existing or planned gigafactories within Kent, or indeed the wider South East region; this is primarily attributable to the extensive land requirements associated with gigafactory development. Furthermore, analysis of IDBR data does not identify any significant economic activity within gigafactory-related sectors within Tonbridge & Malling. As such, despite potential future unmet national demand, it is considered that the borough does not have a strong comparative advantage in the gigafactory sector.

Digital infrastructure

7.18 As defined above, digital infrastructure businesses are those within SIC Group 63.1: data processing, hosting and related activities; web portals. As such, these businesses cover a range of activities, with some related to data centres while others are within the wider data processing and management sectors.

[54] CBRE (2023) UK Real Estate Market Outlook 2024. Available at: https://www.cbre.co.uk/insights/books/uk-real-estate-market-outlook-2024 [Accessed August 2025]
[55] AutoTrader (July 2025) Road to 2030. Available at: https://autotraderroadto2030.co.uk/ [Accessed August 2025]
[56] International Energy Agency (IEA) (2025) Global EV Data Explorer. Available at: https://www.iea.org/data-and-statistics/data-tools/global-ev-data-explorer [Accessed August 2025]
[57] IEA (2025) Global EV Outlook. Available at: https://www.iea.org/reports/global-ev-outlook-2025 [Accessed August 2025]
[58] The Faraday Institution (2024) UK electric vehicle and battery production potential to 2040. Available at: https://www.faraday.ac.uk/wp-content/uploads/2024/09/Gigafactory-Report_2024_final_17Sept2024.pdf [Accessed August 2025]

7.19 Data centres will form a key focus when planning to meet the future digital infrastructure needs of both businesses and consumers. Data centres are physical locations storing computing machines and related hardware[59]. Increasing digitalisation and demands on cloud storage, coupled with the growing use of Artificial Intelligence (AI) and other intensive computing processes, has led to a sharp rise in demand for data centres. Globally, data centre capacity is projected to grow by 15% in 2025, yet this will not be sufficient to meet growing demand[60].

7.20 Digital infrastructure is not dissimilar to conventional infrastructure networks, particularly in that the further data travels, the longer it will take: this is known as latency. As the primary sources of demand for data centres are businesses located in major cities, to minimise latency data centres will cluster within and around these cities; this clustering is also seen within the broader digital infrastructure sector. This helps to explain the relatively low representation of digital infrastructure activity within the borough. The relatively small concentration of employment within SIC Group 63.1 tends to operate within the wider data processing and management sectors.

7.21 Projections of data centre market growth to 2030 range between 19% and 27% at the international level, with strong growth prospects of 25% per annum through 2027 in the Europe, Middle East and Africa (EMEA) region[61]. Evolving technologies will impact upon this: AI places significant demand on data centre capacity, already taking up 25% of global data centre workloads, and is continuing to build momentum. It is estimated that approximately 70% of future demand is for data centres capable of hosting advanced AI, and by 2030 up to 65% of AI workloads will be hosted within 'hyperscale' data centres, primarily those belonging to Cloud Service Providers (CSPs).

7.22 Based on CoStar records, within Kent there are no existing, under construction or proposed data centres as of April 2025. At present, there is no established availability corridor within Kent as data centre operators focus primarily on the Slough-Hayes corridor and the emerging East London cluster. The immediate opportunity for development in Kent, therefore, is likely to lie on the London borders; development further afield, such as in Tonbridge & Malling, is unlikely to be a medium-term focus. However, the rapid pace of development in the sector may change this outlook.

Freight and logistics

7.23 In the built environment, demand for freight and logistics manifests itself in warehousing, storage and distribution centres, in addition to transport hubs and infrastructure. One key source of the growing demand for freight and logistics solutions is the rise of e-commerce, in part accelerated by the Covid-19 pandemic lockdowns. As a facilitator to other industries, and an established sector in its own right, the freight and logistics industry is both a growth enabler and a growth driver.

7.24 In terms of the modern economy, the role of freight and logistics' can be taken to relate to the next generation of warehousing and distribution centres. New 'smart' warehouses are

[59] AWS (n.d.) What is a Data Centre? Available at: https://aws.amazon.com/what-is/data-center [Accessed August 2025]
[60] JLL (2025) 2025 Global Data Center Outlook. Available at: https://www.jll.co.uk/en/trends-and-insights/research/data-center-outlook [Accessed August 2025]
[61] McKinsey (2024) AI power: Expanding data center capacity to meet growing demand. Available at: https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/ai-power-expanding-data-center-capacity-to-meet-growing-demand [Accessed August 2025]

powered by advanced robotics and AI, transforming supply chains and distribution networks, but also placing a new layer of requirements on the specification of class B8 spaces[62].

7.25 Demand for these facilities is spread across the country, with more acute demand at key transport interchanges. As noted in Section 4.0, the borough benefits from good access to strategic transport networks and offers cost advantages over nearby centres in London, Kent and Sussex. The Aylesford and New Hythe industrial areas are located close to the M20 and compete with the wider M20/M2 industrial corridor for footloose occupiers with large-scale requirements. This is reflected within the employment data, with Figure 7.1 identifying significant concentrations of freight and logistics related employment to the northeast of the borough. Key areas are also found in and around Tonbridge town.

7.26 The freight and logistics sector has a large footprint within the national economy, contributing £185 billion to UK GVA in 2024[63]. Logistics UK cite that, *"with appropriate investment, policy changes and the right partnerships with government,"* the sector could add a further £7.9 billion to GDP per year by 2030 from productivity gains.

Summary

7.27 The above analysis indicates the economic importance of freight and logistics locally and suggests that Tonbridge & Malling planning policy should explicitly recognise this and proactively help to facilitate development to meet business needs within these modern economy sectors.

7.28 Characteristically, the modern economy sectors are often seen to spatially cluster in order to exploit efficiency gains from agglomeration. As shown in Figure 7.1, existing concentrations of business units within the modern economy sectors (as defined in Table 7.1) are primarily found within the borough's urban centres, namely Tonbridge, Aylesford and Snodland. The majority of existing modern economy business units within Tonbridge & Malling are within the freight and logistics sector, with a small number of laboratory-related and digital infrastructure businesses at various locations across the borough. No gigafactory-related business units were identified.

7.29 Experian forecasts (considered in Section 5.0) identify strong growth potential within the freight and logistics sectors[64] over the plan period to 2042, while qualitative market intelligence underlines the area's competitive advantages as a strong location for logistics occupiers. Freight and logistics are sectors that provide critical infrastructure to allow other activities, including those within the modern economy to take place. Therefore, supporting growth directly within these sectors may offer wider benefits to the borough's economy.

7.30 Conversely, while growth in digital infrastructure, gigafactories and laboratory-related sectors at the national level is forecast to remain strong over the medium term at the national level, the current extent – or lack thereof – of activity in Tonbridge & Malling, in

[62] Ocado Intelligent Automation (2024) Warehouse Robots: Essential Guide to Modern Robotics in the Warehouse. Available at: https://ocadointelligentautomation.com/insights/warehouse-robots [Accessed August 2025]
[63] Logistics UK (11 June 2024) *Logistics sector primed for future growth says Logistics UK.* Available at: https://logistics.org.uk/media/press-releases/2024/june/logistics-sector-primed-for-future-growth-says-log [Accessed August 2025]
[64] Categorised within the Experian regional forecasts as 'Land Transport, Storage & Post'.

addition to locational and physical constraints in terms of data centres and gigafactories, respectively, limits the borough's comparative advantage in these sectors.

7.31 It is therefore likely that Tonbridge & Malling's immediate comparative advantage within the modern economy lies within its existing freight and logistics sector, which as addressed in this study's consideration of the level of need for distribution floorspace, can be supported through the identification of suitable development sites. This will enable growth within the sector – and the borough's economy – by ensuring both the quantity and quality of the supply of premises for the freight and logistics sector can keep pace with the evolving requirements of industry over the next decade.

8.0 Overall Conclusions and Policy Recommendations

8.1 This section sets out overall conclusions and considers potential policy approaches in relation to employment space for the new Local Plan.

Growth drivers and sector opportunities

8.2 This study has been prepared to take account of recent changes in national planning policy, in addition to the overall economic context. The December 2024 update to the NPPF re-introduces mandatory housing targets for local planning authorities, which for Tonbridge & Malling significantly increases the scale of required future housing delivery. It also requires local planning authorities to specifically plan for the needs of the modern economy, a policy complemented by the more recent UK Modern Industrial Strategy and accompanying sector plans.

8.3 Major infrastructure projects such as the Lower Thames Crossing may also offer opportunities to drive future economic growth in the borough, and in particular demand for industrial and logistics space, given the borough's proximity to the route and its connections to the A2 and M2 in Kent. While our updated analysis continues to show Tonbridge & Malling operating as part of a wider West Kent Functional Economic Market Area (FEMA), upcoming local government reform is likely to change the local administrative geography for economic planning, with devolution also bringing additional funding and powers over 'core levers' of growth including transport, skills, employment support and strategic planning, over a wider Kent area.

Commercial property market trends

8.4 The borough's commercial property market has undergone significant change over recent years. While the borough's overall stock of employment space has been gradually declining, Tonbridge & Malling still accommodates one of the largest commercial property markets in West Kent.

8.5 Despite seeing an overall increase in the stock of office floorspace since 2000, the size of the borough's office stock has declined over recent years. The effects and wider structural changes induced by the Covid-19 pandemic have severely impacted office demand within the borough, with hybrid working and current economic climate reflected in declining take-up and enquiries from office occupiers. Like the rest of the UK, there has been a 'flight to quality,' although the limited supply of modern, higher quality space in the borough makes it difficult to accommodate these enquiries locally while speculative development of new office space is financially unviable. However, there is evidence of refurbishments and reconfiguration of larger and sometimes older premises into smaller premises, which have proven popular with the market, particularly among local businesses, for example at Capital Space, Churchill Square, and Kings Hill.

8.6 The borough's industrial market is comparatively more buoyant, with current patterns of demand and activity largely focused on B8 and mixed industrial uses. Occupier demand is currently reported to be strong, and local agents cite a shortage of supply generally in order to satisfy business enquiries locally.

Future employment land needs

8.7 Three different scenarios of future needs are considered in Section 5.0. These indicate the broad scale and type of growth arising from different approaches to modelling Tonbridge & Malling's future employment space needs: forecast economic growth (labour demand); past development trends; and potential housing growth (labour supply).

8.8 The overall gross employment space requirements resulting from the three scenarios range between 290,000 sq.m and 538,700 sq.m, or between 68.5 ha and 121.2 ha in land terms, over the Local Plan period between 2024 and 2042.

8.9 Scenarios 1 (Labour Demand) and 2 (Development Trends) imply a comparable overall employment floorspace requirement for Tonbridge & Malling over the plan period. Scenario 3 (Labour Supply) generates the highest overall requirement, driven by strong population and housing growth implied by the latest (December 2024) Standard Method. This represents a substantial increase in housing delivery in Tonbridge & Malling over the plan period compared with previous targets. The Council will need to have regard to this scenario if it is seeking to align future housing requirements and employment growth.

Planning requirements

8.10 While it is recognised that the Council is planning to meet its Standard Method housing requirement in full, which would be expected to increase in the resident office-based workforce, this must be considered in the context of subdued past development trends and modest growth forecasts.

8.11 As such, we recommend the Council plan for a modest office requirement, in line with the gross requirement implied by Scenario 1 (Labour Demand) of 60,500 sq.m or 7.9 ha.

8.12 As noted in Section 5.0, Tonbridge & Malling's industrial market has demonstrated greater levels of activity compared to offices in recent years, particularly for Class B8 (distribution) floorspace. While the borough's stock of industrial and warehousing space has gradually declined over the last decade with losses outpacing new development, net absorption has remained positive and new stock is beginning to come forward as rental values rise. Furthermore, strong local representation within the modern economy sectors of freight and logistics provides a positive planning policy impetus, while major investment in key infrastructure projects such as the Lower Thames Crossing offers significant opportunities to drive future demand over the latter part of the new plan period.

8.13 On this basis, we recommend planning to accommodate future industrial requirements associated with Scenario 2 (Development Trends), which is equivalent to 301,000 sq.m or 75.3 ha by 2042.

8.14 The resulting floorspace and land requirements across office, light/general industrial and distribution uses is summarised in Table 8.1.

Table 8.1 Recommended planning requirements for employment land, 2024 to 2042

Type of space/Use Class	Recommended scenario	Floorspace requirement (sq.m)	Land requirement (ha)
Office E(g)(i)/(ii)	Scenario 1: Labour Demand	60,500	7.9
Light/general industrial E(g)(iii)/B2	Scenario 2: Development Trends	70,000	17.5
Distribution B8		231,000	57.8
Total		**361,500**	**83.2**

Source: Lichfields analysis

Site assessment audit

8.15 Overall, the assessments of existing employment sites (summarised in Appendix 2) indicate that the borough contains a reasonable range of employment sites of differing quality. Generally, the range of sites comprises of good quality, well maintained stock with low vacancy levels, particularly within larger and more established strategic employment areas.

8.16 Paragraphs 126 and 127 of the NPPF require both existing employment allocations and any identified locations for future development of employment land to be reviewed on a regular basis, to take account of any changing factors over the plan period. Any future proposals that could result in the loss of employment land in the borough should be considered against the overall demand/supply balance of employment land.

8.17 The assessment undertaken as part of this study has not identified any sites that appear to have no reasonable prospect of being or continuing to be used for employment uses over the Local Plan period, nor represent sites which are no longer required or unsuitable to the extent that they are recommended for release to other uses. As such, it is recommended that the existing employment sites assessed are safeguarded, or at least, a criteria-based policy approach is applied to give due consideration to any proposals for other uses.

Demand/supply balance

8.18 Extant permissions for employment floorspace total 204,419 sq.m and are therefore insufficient, in quantitative terms, to accommodate any of the future growth scenarios in full. Based on the recommended scenarios shown in Table 8.1, the remaining shortfall after accounting for extant permissions amounts to approximately 157,000 sq.m. Additional supply from other sources will therefore be required.

8.19 Reviewed in Appendix 3, the sites submitted through recent call for sites exercises offer some opportunity to meet this shortfall. Of the 35 sites submitted for employment or mixed use within the 2023 call for sites, we identify six sites totalling 37.7 ha as suitable for development or intensification. A further 11 employment sites were submitted to the 2025 call for sites, of which 10 are considered to be potentially suitable for development or intensification, providing 28 ha of capacity.

8.20 Therefore, we estimate that among the sites considered to be suitable for development or intensification of employment land, there is a total capacity of 65.7 ha. Applying an indicative plot ratio of 0.4, it is estimated that these sites could provide in the region of 260,000 sq.m of supply, although the capacity of individual sites will need to be subject to more detailed opportunities and constraints analysis.

8.21 In quantitative terms, this would be sufficient to meet the identified shortfall. However, this does not account for the use classes that would be accommodated on each site. The Council should pay particular attention to the need for office floorspace within the borough, acknowledging that while there is assessed to be a modest requirement for new office space over the plan period, the implementation of extant permissions would result in the loss of almost 10,000 sq.m of office floorspace, while the majority of the call for site submissions focus on industrial and distribution uses. This may involve safeguarding of existing employment sites.

8.22 More broadly, in considering which sites could be most suitable for allocation, the Council should ideally seek to identify a mix of locations across the borough, and site opportunities that can support a mix of employment uses, to provide some flexibility and also to respond to market demand. Furthermore, policy should have regard to the needs of the modern economy, in particular the freight and logistics sector as Tonbridge & Malling's primary comparative advantage, to provide the foundations for future economic growth in the borough.

Appendix 1 Experian Methodology

Data Guide

UK Regional Planning Service
December 2024

Contents

Executive summary

This document outlines the current variable coverage in the September 2024 version of the UK Regional Planning Service, and the methodology behind the history and forecast.

Appendix A includes a glossary of terms.
Appendix B includes our definitions of the sectors.

Appendix C has the geography definitions.
Appendix D contains the most common Frequently Asked Questions

Contact us

James Ison
Managing Economist
E james.ison@experian.com

Experian
Cardinal Place
80 Victoria Street
London SW1E 5JL
E: Experian.Economics@uk.experian.com

1 Variable Coverage

To avoid implying spurious accuracy, we now round all county and local series to the nearest tenth of a unit. This means that people or job counts are now to the nearest 100 people or jobs and money counts are to the nearest £100,000, and rates are now to the nearest 0.1 percentage points. Forecasts for series with very small levels may appear to be volatile when growth rates are considered. We therefore recommend viewing series with small values in levels not growth rates or considering growth rates over longer intervals than annually. Very small levels have been set to zero as they are essentially statistical artefacts.

Figure 1.1: Variable coverage in the RPS

- √ indicates that the variable is available in both the search query tool and the xls files.
- Xls indicates that the variable is available in the xls but not the search query tool.
- UK monthly forecast indicates that the variable is not produced as part of the RPS but can be found in the monthly UK macro forecast on our website.

Variable	UK	Region	County & Local Authority
PRODUCTION			
Gross Domestic Product (GDP)	UK monthly forecast		
GDP by component of demand	UK monthly forecast		
Gross Value Added (GVA)	√	√	√
GVA by sectors	√	√	√
LABOUR MARKET			
Employees by sector	√	√	√
Self-employed by sector	√	√	√
Government Trainees by sector	xls	xls	
Her Majesties Forces Total	xls	xls	
FTE Employment by sector	√	√	√
Total ILO Employment – Residence based & Workplace based	√	√	√
ILO Unemployment	√	√	√
Unemployment rate	√	√	√
Labour Force	xls	xls	Upon request
Activity Rate	xls	xls	Upon request
Inactivity Rate	xls	xls	Upon request
DEMOGRAPHICS			
Population: Total, Adult (16+)	√	√	√
Age bands: 0-15, State Working age, State retirement 16-64, 65+	√	√	√
Population by single- or 5-year age band	Upon request	Upon request	Upon request
HOUSEHOLDS			
Nominal disposable Income	√	√	√
Real disposable income	√	√	√
Nominal income by component	xls	xls	Upon request
Nominal consumer spending	√	√	√
Real consumer spending	√	√	√
Consumer spending by COICOP category	Upon request	Upon request	
Cost of Living Index	√	√	
House price Index	√	√	
Hours worked	Upon request	Upon request	Upon request

Please note we are no longer publishing Claimant Count for Regional and Local Areas. This is due to the fact that complete data is no longer available due to the shift to Universal Credit.

2 Historical Endpoints

Figure 1.2: Last historic data point

Variable	UK*	Region	County & Local Authority
Gross Value Added	2024q3	2022q4	2022q4
GVA by sectors	2024q3	2022q4	2022q4
Labour market variables	2024q3	2024q2	All 2022q4 except ILO 2024q2
Income	2024q3	2022q4	2022q4
Consumer spending	2024q3	2023q4	2022q4

The historical endpoint represents the last time-period for which we apply our processes to collect, calculate or derive data, details of which can be found in Chapter 3: Methodology. All time-periods that are in the past but follow the historical endpoint are Experian Economics' estimates.

We have not used any regional data published after November 2024 in producing this update of the RPS. It is possible that between this date and the release of the RPS some new history may have been released and/or revised.

Population

The population data provided are the Office for National Statistics (ONS) 2019 mid-year estimates for 1997-2019. For England, Scotland, and Wales, the 2018-based national and sub-national population projections are used. Further information on population changes is available in section 4.

UK forecast

This forecast is consistent with an Experian Economics' December 2024 macroeconomic forecast. We explore this further in section 4.

3 Methodology

3.1 UK Methodology

The approach for the regional planning service takes the UK variables as exogenous, imposed from the monthly UK forecast.

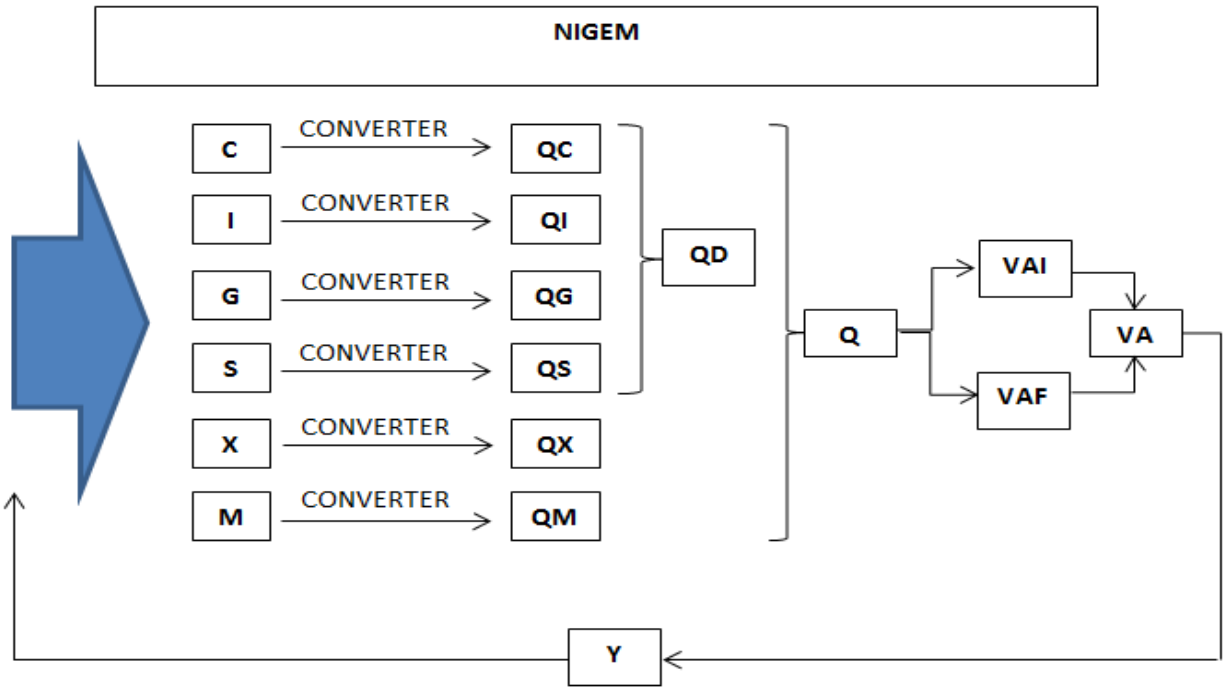
To produce the UK forecast we use a heavily customised version of the National Institute of Social & Economic Research's (NISER) model called NIGEM to provide our core macroeconomic forecast.

NIGEM is a general equilibrium model of the UK and World economy which forecasts, amongst other variables, aggregate GVA, expenditure, income and employment based on the UK National Accounts published by the Office of National Statistics.

To split this core forecast out into industries and sub-sectors we have a Sectoral Model which expands on the forecasts from the core NIGEM model.

We disaggregate total consumption (C), investment (I), government spending (G), stocks (S), exports (X) and imports (M) from NiGEM to a finer level of detail. This provides a highly detailed model of demand (Q) for industry GVA in the UK economy. Using convertors derived from the ONS Supply and Use Tables, we convert demand into intermediate (VAI), and final (VAF) value added for each sector. This provides a comprehensive view of how value added is distributed across sectors. The growth rate of total value added (VA) for each industry determines its GVA (Y) growth rate. GVA is constrained to forecast total GVA from NiGEM. This Input-Output based model is iterative and captures intra-industry demand.

The industry GVA forecast is used together with wage forecasts to forecast employment by sector (E).



3.2 Regional Methodology

3.2.1 History

All economic history used in the RPS is derived from official statistics published by the UK's ONS. Our approach is to use existing statistics in the form they are published to the greatest extent possible. However, this is subject to the following exceptions:

- where there is a lag between an update of aggregate data and the corresponding disaggregation, the disaggregate data is constrained to match the latest aggregates;
- where ONS data is not published at quarterly frequency (for instance it is only annual data), we use a consistent methodology (described below) to construct quarterly data;
- where ONS data is not published at the geography required or in the detail required, we use a consistent methodology to add the necessary data, ensuring that it constrains to published data at a higher level of geography or detail;
- on occasion, where ONS data is internally inconsistent we apply techniques to remove these inconsistencies.

The most timely and reliable data at the regional level is the workforce jobs series, published on a quarterly frequency by the ONS. There have been revisions to estimates of Workforce Jobs going back several years caused by benchmarking to the latest estimates from the annual Business Register and Employment Survey (BRES), updating seasonal factors and taking on board late information.

Employee jobs, self-employed jobs and government trainees are published at the level of the SIC 2007 Section providing us with 22 sectors.[1] In order to disaggregate this Section-level data to 2-digit sectors from which we can construct the Experian 38 sectors we use official survey data:

- In the case of employee jobs, we use the Annual Business Inquiry (ABI) and Business Register & Employment Survey (BRES). These annual surveys are not updated after being published – further the methodology has changed over the lifetime of these surveys. We apply a principled set of rules to derive consistent employee job shares within the sections from the surveys.
- The current release uses the October 2023 BRES, which provides data up to 2022. Pre-2010 we have made a working-owners adjustment, based on an overlapping year published by NOMIS in February 2013, in line with their recommended techniques for dealing with discontinuities. There are revisions in the latest BRES data both at the regional and local level. More noticeable changes are seen at the local level, please see the local methodology for more details.
- In the case of self-employed jobs, we use data from the Labour Force Survey (LFS).

Workforce jobs is the sum of employee jobs, self-employed jobs, government trainees and Her Majesty's Forces (who are assigned at the sector level to Public Administration and Defence).

To estimate full-time equivalent employment (FTE), we use data on hours worked in each sector and region derived from the Annual Survey of Hours and Earnings (ASHE). ASHE is also used to derive wage data for each region and sector.[2] We also use, for this purpose, compensation of employee data from the regional accounts.

Previously, regional gross value-added data (GVA), was only measured on an income basis and published annually in current prices. As of March 2020, we included the ONS balanced estimate of GVA,

[1] The ONS has ceased publishing official 2-digit employee jobs data for the regions. The approach we have taken is consistent with the approach recommended by the ONS to derive 2-digit estimates.
[2] We do not routinely publish sector level wage forecasts; however, it is available on request.

a new measure derived by balancing the income and production approaches to calculating GVA. The data is published in greater detail than the previous income-based estimates - which were only published at a section level - and so map more directly to Experian's 38 sectors.

Historical data for UK GDP and GVA in the current release are consistent with the October 2024 Blue Book release. The base year has changed to 2022 prices.

The ONS released its latest regional level GVA data in April 2024, which has been used as the main source for the regional level data in the December 2024 run. The latest release includes data up to 2022 and is in 2019 prices. This release is not consistent with the latest Blue Book (released October 2024). In order to minimise inconsistencies, we have adjusted the regional data by applying an internal rebasing to the series to make it more aligned with the latest UK series. Notable revisions compared to the earlier release are observed in sector level data, whereas aggregate values (totals) have been revised by a much smaller margin. For purposes of keeping data as close as possible to the original official source, the regional totals published with this round of the RPS are aligned to the UK total (consistent with the Blue Book) by making minimal corrections, while more extensive adjustments have been applied to the sector-level regional data. Key concepts we have considered while making the adjustments include the relations between the different territorial levels, implications of aggregations and measurements of the data series. Generally, the outcome provides regional profiles that are in 2022 prices and aim to better reflect latest UK GVA data as per the October 2024 Blue Book release.
The data is then made quarterly using workforce jobs data, before being aggregated to produce a regional total.

Income is published in the regional accounts on an annual basis with a full breakdown of income sources and deductions. Previously official sources included income from Non-Profit Institutions Serving Households (NPISH) in the household income data due to lack of credible information to split these. Since March 2019, the ONS has improved their data accuracy by providing income data that is 'households' only, which we have used, thereby excluding NPISH from our income estimates.

Income sources are:

- compensation of employee - wages and salaries *plus* employers' social contributions
- self-employment income
- net property income - made up of property income received *less* income paid
- transfers from the state (i.e., benefits and pensions)
- other transfers

Income deductions are:

- taxes
- social contributions
- transfers to others

The sum of income sources *less* income deductions constitute disposable income. To convert this annual data to quarterly jobs we use (depending on the component) employee jobs, self-employee jobs or the UK quarterly pattern. We constrain these quarterly series to the official UK published data. Real disposable income is obtained by deflating disposable income by the consumer price deflator.

Household spending is derived by sharing out UK nominal expenditure using regional shares of expenditure reported in the Living Costs and Food Survey by type of expenditure. Nominal regional spending is deflated by published UK deflators and then aggregated to produce a regional total. This again implicitly creates a regional cost of living measure which we also publish.
Sub-national population projections are obtained from the ONS, based on the 2018 sub-national projections for England, Scotland, and Wales. These are spliced onto the 2019 mid-year estimates and constrained to the latest national 2018-based projections.

Our working-age definition incorporates all announced future changes in the state pension age:

- The state pension age for women is rising from 60 to 65, equal with males. Both will then rise, in step, to 67 in our current forecast period.
- Female state retirement age began to increase from 60 in April 2012, reaching 65 by 2018q4.
- From April 2019, both men and women will see their state retirement age rise from 65 to 66, with men reaching 66 by April 2020, and women a few months later in October 2020.
- The move from 66 to 67 is scheduled from April 2026 until April 2028 for both men and women.

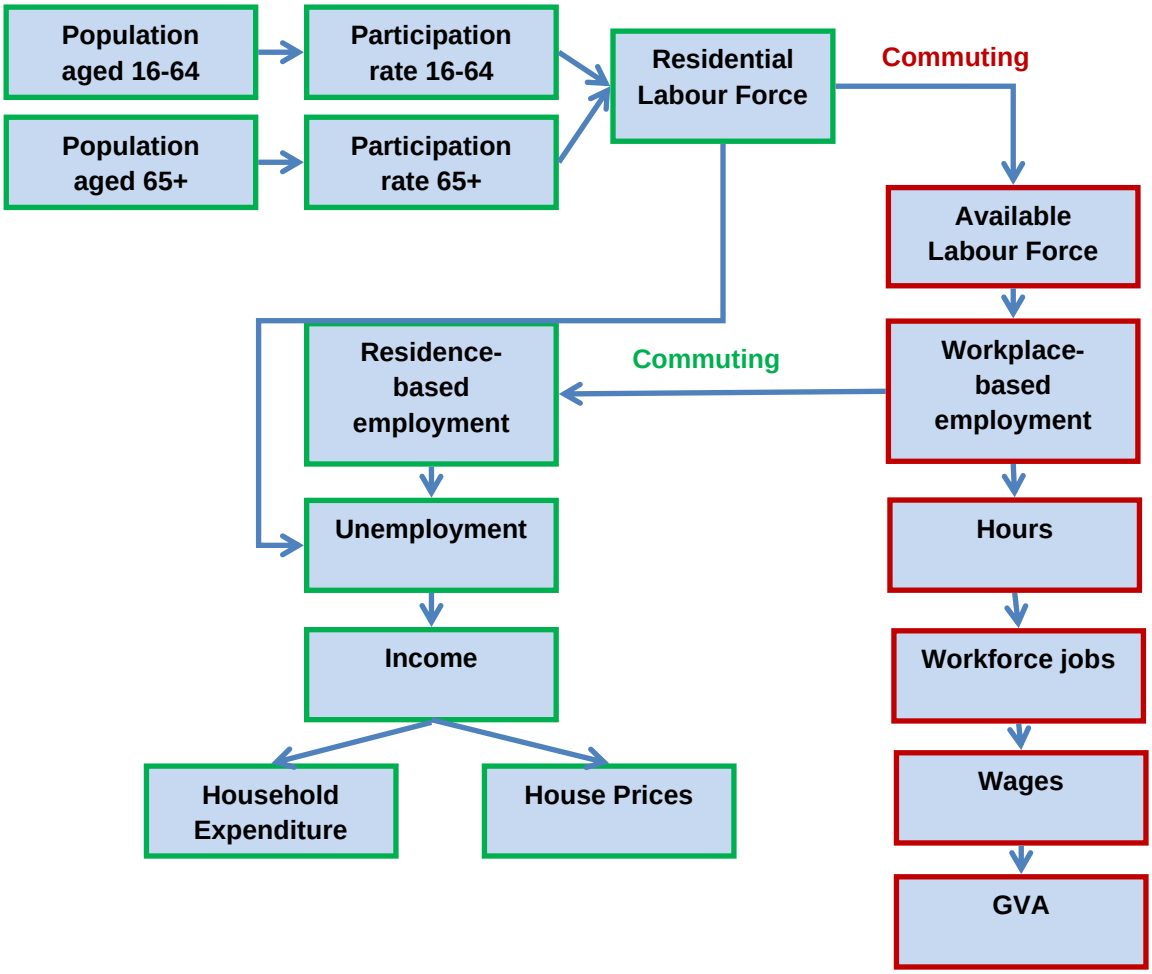
The 2013 Autumn Statement stated that the rise in state pension age to 68 would be moved forward from 2046 to the mid-2030's. However, with no firm date, we have not yet incorporated this into our working age and state retirement age definitions.

Under the current law, the State Pension age is due to increase to 68 between 2044 and 2046. Following a recent review, however, the government announced plans to bring this timetable forward. The State Pension age is now set to increase to 68 between 2037 and 2039. The policy change was announced as of July 2017.

We publish the following breakdown of population: school age (ages 0-15), state working age, state retirement age, adult population (16 and over) and total. Beginning in the March 2015 RPS, we also publish both the population aged 16-64 and 65 and over. Although their respective participation rates are not published, they can be derived. Our overall participation rate is based on a ratio of the total labour force to the entire adult population (not only the working age population).

3.2.2 Forecast

The regional model is sequential. Each variable is dependent only on variables earlier in the sequence and not variables later in the sequence. Variables are either workplace-based (red outlined boxes) or residence-based (green-outlined boxes.) Workplace-based and residence-based variables are linked by commuting relationships derived from the 2011 Census.



The population – split into two age ranges – is taken from the National and Sub-National Population Projections. We forecast participation rates for these age bands separately as they are subject to different trends. The total residential labour force is the sum of the labour force aged 16-64 and 65-plus. The aggregate participation rate is determined by two factors:

- The participation rate of the two age bands; and
- The share of each of the two age bands in the adult population.

The participation rate for those aged 16-64 is expected to remain relatively stable throughout the forecasting period. However, the rate for those aged 65 and over will grow strongly due to factors such as increasing life expectancy and rising state pension ages.

At the UK level, the share of the adult population aged 65 and over is projected to rise sharply over the next twenty years. There is, however, considerable variation at the regional level. Greater London – the youngest region in the UK – is projected to have a stable share. These factors combine to produce substantial variation in the labour force forecasts for different regions.

Commuting flows are used to derive the available labour force for a region. This is:

Workers Resident in the Region – Workers Commuting Out + Workers Commuting In

In the case of Greater London, the South East and the East of England, these flows lead to a substantial difference between the residential labour force and the available labour force. The effect is still present but less pronounced in other regions.

The available labour force is one of the drivers in forecasting workplace-based employment. The other drivers include the industry mix and the performance of industries at the UK level. If industries with a high share in the region are performing well at the UK level, this will benefit the region.

The workplace-based employment is converted back into residence-based employment. This is:

Workplace-based Employment – Workers Living Elsewhere + Residents Working Elsewhere

From this point, residence and workplace-based variables are solved in parallel with residence-based variables dependent on residence-based employment and workplace-based variables dependent on workplace-based employment.
The residential labour force and residence-based employment are used to calculate unemployment. Residential income is driven by employment; and itself drives house price and household expenditure forecasts.
Workplace-based employment drives aggregate hours worked, wages and GVA. These aggregate variables feed into the detailed part of the model, which produces forecasts for each industry:

In each case, we forecast shares of the region within the UK industry. We then share out the UK industry data subject to the constraint of the total that has already been determined and the UK total.

3.3 Local Methodology

3.3.1 History

As at the regional level, all local economic history used in the RPS is derived from official statistics published by the ONS. Our approach to using this data is identical to that given above at 3.2.1. However, data at the local level is more likely to be incomplete[1] or inconsistent[2] than is the case at the regional level. For this reason, there is greater call for the application of techniques to construct missing data and to remove inconsistencies than is the case at the regional level.

In all cases, local area data in a particular region is constrained to match the regional total for the same variable. This has two advantages:

- Local data is made consistent with regional data of the same vintage.

[1] For some local areas, publication of certain data by the ONS is restricted because to do so would effectively disclose individual responses to ONS data-collection surveys (e.g., if there are only one or two firms in a certain industry in a particular locality.)
[2] In some cases, sample sizes in ONS data-collection surveys at the local level are very small. This leads to data of comparatively poor quality and relatively high volatility.

- Where local data has been estimated or constructed, the regional data ensure that the estimates together are consistent with more reliable data.

The ONS do not publish a workforce jobs series at the local level. Accordingly, we construct workforce jobs series for each local area using BRES/ABI in the same way that BRES is used at the regional level to disaggregate section estimates. The BRES share for a particular industry of a local area in its parent region is used to disaggregate the regional workforce jobs series for that industry. As BRES is a survey, the figures over time for a particular local area industry combination can be volatile[1]. Further, certain years' results may be withheld to prevent disclosure of confidential data. Accordingly, to obtain sensible data it is necessary for us to smooth out this volatility and to interpolate over the gaps.

At the local level, the most timely and comprehensive data are Annual Population Survey (APS) for residence and workplace-based employment and unemployment data[2]. These data are obtained directly from NOMIS and then constrained to the national numbers.

In September 2015, we re-visited the relationship between local workforce jobs and workplace-based employment. The local workforce jobs (which make use of BRES shares) was benchmarked to the ILO workplace-based employment which itself has first been benchmarked to the Census 2011 point with the pattern in years either side preserved.

As with the regional level, there are revisions in the latest BRES data at the local level. Additional changes are due to the changes in local boundaries. More specifically, there are larger revisions in Dacorum and Watford for the "employment activities" industry, which has persisted for two consecutive years. The change has been confirmed by NOMIS.

As with regional GVA, the availability of data at the local authority level has been improved with the move to a balanced estimate of GVA. Sub-regional measures of GVA were previously only produced in current prices, at a NUTS2 and NUTS3 level. As of March 2020, the balanced estimate of GVA has been incorporated into the RPS which is now provided at a local authority level, in both current and constant prices.

The local level GVA data that was used in the current run was released by the ONS in April 2024, based on 2019 prices, including data up to 2022. Analogical to the regional GVA data, as the release is not consistent with the latest Blue Book (October 2024), we have applied an internal rebasing and adjustment to the series that aligns the local level data with the latest UK and the adjusted regional data.

The level of industrial detail of the data varies across sub-regional geographical levels. NUTS2 data has the greatest level of industry disaggregation with a full breakdown of SIC sections. With each subsequent geographic level, the degree of disaggregation in the official data decreases. To provide local area forecasts at the 38-sector level, the data was fully disaggregated at each geographical level.

In the case of NUTS3 current prices, the data is disaggregated using the industry shares in the corresponding NUTS2 and then constrained to that parent region. For local authorities that do not constitute fully a NUTS3, disaggregation takes place using local authority workforce jobs data at the industry level.

In the case of Chain Volume Measure (CVM) GVA; where data is needed to be further disaggregated, implied deflators of the parent geography - NUTS2 in the case of a NUTS3 and NUTS3 in the case of a local authority - are used to deflate the nominal estimates. Due to excessive volatility in the raw GVA

[1] The volatility represents sampling variability rather than actual volatility in the population data.
[2] In line with ONS guidelines, we use the official model-based estimates of local unemployment that are more accurate than survey data which suffers from volatility.

data, it is necessary to smooth the local authority estimates and constrain to the parent region. In some cases, this led to some magnitude of difference from the published ONS figures.

The inclusion of these new official statistics has led to noticeable historical revisions across the 38 sector forecasts, however, as is the case at the regional level, the data now provides a more accurate measure of historical activity in each local authority.
No estimates of household spending are provided at the local level. Household spending is, therefore, derived by using the share of local disposable income in regional disposable income.

Since June 2016, we have applied a moving average procedure to smooth the Annual Population Survey data which has resulted in revisions to our historical data.

We have not used any local data published after November 2024 in producing this update of the RPS. It is possible that between this date and the release of the RPS some new history may have been released and/or revised.

3.3.2 Forecast

The local authority model is run separately for the local authorities in each region and takes the regional forecast as given. Accordingly, as with local history, local forecasts are constrained to the regional forecasts of the parent region.

Our local model is based on the resolution of demand and supply for labour, and it takes into account commuting between local areas within a region and across the regional boundary. The properties of the model are these:

- When unemployment is low, labour supply growth is the key determinant of growth.
- When unemployment is high, growth in demand for labour is the key determinant of growth.
- As unemployment decreases,
    - Labour supply growth becomes relatively more important
    - Growth in demand for labour becomes relatively less important
- An area's workplace employment growth depends on labour supply not only in the area but also
    - Labour supply growth in other local areas in the region from which it has historically drawn inward commuters.
    - Its historic share of incoming workers across the regional boundary.
- An area's residence-based employment growth depends on demand for labour not only in the area but also
    - Growth in demand for labour in other local areas in the region to which it has historically supplied commuters.
    - Its historic share of outgoing workers commuting across the regional boundary.
- Workplace based employment drives GVA growth.
- Residence based employment drives Income and, accordingly, spending growth.

The starting point is an estimate of the growth in the participation rate of those aged 16-64 and 65-plus in a local area. These are used to derive labour force growth.

In parallel, demand for labour is estimated. This is done at the industry level by linking job growth[1] in a local area to growth in the same industry at the regional level and then constraining demand for jobs by industry to demand for jobs for the same industry at the regional level. The effect of this is:

- Demand for jobs at the local level is fastest in those industries which are performing best at the regional level.

[1] Separately for employee jobs, self-employee jobs, government trainee jobs and Her Majesty's Forces.

- Total demand for jobs at the local level depends on its industrial structure. Those local areas which have a more than proportionate share of the best performing industries will perform best overall.

The supply and demand for labour is then resolved in the following way:

- Total demand[1] for jobs for each local area is converted into demand for workers according to the historic ratio between jobs and workers into that local area.
- The inflow and outflow of workers across the regional boundary is shared out between local areas according to their historic commuting patterns leading to an adjustment in
    - The remaining demand for labour for a local area (*inflow*)
    - The remaining available labour for a local area (*outflow*)
- Workplace demands for workers are converted into residence-based demands according to historic commuting patterns.
    - If unemployment is sufficiently high, these demands are satisfied out of the growth in the labour supply and the pool of available (unemployed) workers.
    - If unemployment is sufficiently low, these demands can only be satisfied out of the growth in the labour supply.
    - If unemployment is above its lower bound but not too high, a proportion of demands are satisfied out of the pool of available workers and the rest are satisfied out of the growth in the labour supply.
    - The model makes short-term adjustments in the labour supply in response to demand conditions to reflect the economic reality that
        - When demand is high, the participation rate rises as potential workers are drawn into the labour force by the relatively buoyant conditions;
        - When demand is low, the participation rate declines as disillusioned workers leave the labour force because of the poor job market conditions;
    - The unemployment rate, accordingly, behaves as expected.
- The satisfied residence supply for labour is converted back into workplace demands and workplace-based employment is calculated for each local area. This is then converted back into jobs and used to produce final workforce jobs estimates for each local area.

The consequence of this is that:

- Local areas with high demand may not see all demand satisfied if there is insufficient labour supply available to meet those needs. Job growth will, accordingly, be slower.
- Local areas with high labour supply may not see higher growth in residence employment if there is insufficient demand for labour to use it up.

GVA growth is then forecast based on growth in workplace-based employment according to equations, which link GVA growth to workplace-based employment. Income is forecast by component based on residence-based employment (in the case of compensation for employees or self-employment), unemployment (in the case of benefits) and population in any other case. Spending depends on income by component.

[1] i.e. all industries and job types aggregated.

4 Key changes since September 2024 RPS

4.1 UK Economy

The December 2024 RPS forecast is consistent with the Experian December 2024 UK macro forecast, these projections reflect our central forecasts, which assumes the continuation of current geopolitical tensions and US import tariffs. Specifically, it presumes a fragile ceasefire between Israel and Hamas, with trade disruptions through the Red Sea. The conflict in Ukraine continues, along with sanctions relating to Russia. Regarding tariffs, it is assumed that no new tariffs are imposed on imports from the UK or other countries into the US, although the threat of tariffs remains.

We expect inflation to rise, driven by an anticipated further increases in the OFGEM energy price cap in April and a boost to demand linked to the large, front-loaded increase in government expenditure announced in the Autumn Budget. Additionally, higher employers' NICs and minimum wage increases are expected to push consumer prices up as employers pass on some of these additional costs. Nonetheless we continue to expect a gradual loosening in monetary policy given an underlying weakness in economic growth, and a continued labour market loosening.

We anticipate that the unemployment rate will continue to rise gradually, and wage growth will slow as the global backdrop remains challenging and businesses seek to cut costs amid the increase in employers' NICs. However, the slowdown in wage growth is offset by large increases in the national minimum wage (6.7%), triple lock protected state pensions (4.1%) from April. Benefits will rise by a lesser 1.7%. This supports a relatively strong increase in real personal disposable income of 2.1% this year, having grown by 4.2% in 2024, before growth roughly halves thereafter.

Moreover, consumer spending grows by a moderate 1.4% this year. Wealth affects linked to rising house prices are supportive. Conversely, fragile consumer confidence more broadly, and the crowding out effect of increased government expenditure on consumer spending weighs on growth given the flow through to higher inflation and interest rates. Elevated interest rates and increased NICs costs also crowds out business investment which is broadly stagnant through 2025.

For more details on our alternative scenarios, please contact us.

4.1.1 UK history

Since our March 2022 release, ONS have expanded their Supply and Use Tables (SUT) framework to current prices and previous year's prices. This not only reflects a wider range of annual surveys and administrative information for which estimates are based on, but also records the correct concept of GVA rather than turnover as a proxy indicator. At the industry level, the current price and volume relationship is now preserved, enabling new double deflated annual GVA volume estimates. There has been a modest revision to overall current price and volume GDP however, there are larger revisions at the industry level such as stronger volume growth in the manufacturing sector. The telecommunication services deflator has also improved, resulting in higher gross value-added volume growth.

For more details on these changes, please see the Impact of Blue Book 2021 changes on current price and volume estimates of gross domestic product release by the ONS.

4.1.2 UK outlook

Recent data releases present a challenging outlook for the UK economy going into 2025. The Office for National Statistics (ONS) revised down GDP growth for Q3 2024, showing that the economy stalled. In addition, business sentiment weakened further in Q4 2024, as companies brace for increased costs relating to tax rises to come in April.

Following the ONS revision, the service sector showed no expansion in Q3 2024, contrary to the initial estimate of 0.1% growth. Production declined by 0.4% in the latest quarter and was 2.3% below its position a year earlier. On a positive note, the construction sector grew, rising by 0.7%, driven by an increase in new work.

The latest monthly data is slightly more encouraging, with GDP increasing by 0.1% in November 2024. The services and construction sectors grew by 0.1% and 0.4%, respectively, although production fell by another 0.4%.

The UK labour market continued to loosen in November, with the unemployment rate rising to 4.4% and vacancies decreasing by 24,000 to 812,000 in Q4 2024. Wage growth outpaced inflation, with real regular (excluding bonuses) and total (including bonuses) wages growing by 2.5% and 2.4%, respectively, in the three months to November 2024.

Consumer Price Inflation (CPI) rose by 2.5% in December, slightly down from 2.6% in November. Goods inflation increased to 0.7%, while services inflation dropped to 4.4%. We anticipate inflation to rise towards the end of 2025, peaking at 3.0%, and maintain our projection for a base rate cut from the Bank of England in February.

Encouragingly, the headline seasonally adjusted S&P Global Flash UK PMI Composite Output Index, a measure of business sentiment, posted a preliminary reading of 50.9 in January, up from 50.4 in December, indicating economic growth. Additionally, the UK Construction PMI increased to 53.5 in January from 53.3 in December, marking strong sector performance for the tenth consecutive month. However, cutbacks in manufacturing and services has reduced the workforce, with businesses attributing this to the impending employers' National Insurance Contribution (NIC) tax hike and a general decline in confidence following the budget.

Meanwhile, the ICAEW UK business confidence January index fell to its lowest level in two years, primarily due to concerns over tax implications following the recent budget. Although the index remains slightly positive at 0.2, all sectors and regions experienced a downturn compared to the previous quarter.

Similarly, UK consumer confidence took a hit in January, with the index decreasing by 5 points to -22, below its -19 position a year earlier. All measures that form part of the Overall Index Score are down this month with the biggest decline coming from the general economic situation over the next 12 months which is down 8 points. The only measure that has seen a rise is the savings index (not used in the overall index) which was up by 9 points to 30. This adds to the bleak economic outlook, confirming the notion that consumers are worried about the general financial wellbeing of the economy and their personal situation, preferring to save money rather than spend.

4.1.3 UK forecast

December 2024 RPS forecast (2022 prices). Previous forecast, September 2024 RPS (2019 prices) in brackets.

UK	2019	2020	2021	2022	2023	2024	2025-2029	2030-2043
GDP growth	1.6% (1.6%)	-10.3% (-10.4%)	8.6% (8.7%)	4.8% (4.3%)	0.3% (0.1%)	0.9% (1.2%)	1.6% (1.7%)	1.8% (1.8%)
Workforce Jobs growth	1.5% (1.5%)	-1.6% (-1.6%)	0.4% (0.4%)	2.5% (2.5%)	2.1% (2.1%)	1.1% (0.9%)	0.5% (0.7%)	0.6% (0.6%)
Unemployment rate	3.9% (3.9%)	4.7% (4.7%)	4.6% (4.6%)	3.9% (3.9%)	4.0% (4%)	4.2% (4.3%)	4.2% (4.2%)	4.0% (4%)
Real Income growth	2.0% (2%)	-0.1% (-0.3%)	1.3% (1.2%)	-1.9% (-1.7%)	2.4% (2.2%)	3.6% (2.4%)	1.2% (1.7%)	2.0% (2%)
Spending Volumes growth	1.1% (1.1%)	-13.1% (-13.2%)	7.2% (7.4%)	7.4% (5%)	0.7% (0.3%)	0.7% (0.5%)	1.6% (1.7%)	1.8% (1.8%)
House price growth	0.9% (0.9%)	2.8% (2.8%)	8.8% (8.1%)	9.7% (9.4%)	0.4% (0.2%)	1.1% (2%)	3.8% (3.9%)	4.0% (4%)

The following UK forecasts are from Experian December 2024 release.

4.1.3.1 Gross Domestic Product

The latest data from the Office for National Statistics (ONS) indicated that UK GDP experienced no growth in Q3 2024, revised down from an initial estimate of a 0.1% expansion. This stagnation was likely driven by increased uncertainty leading up to the budget, which caused a significant drop in consumer confidence in September, although there was some recovery towards the end of the year.

The services sector showed no signs of expansion, flatlining on the quarter, revised down from a first estimated increase of 0.1%. Growth was only reported from 6 of its 14 subsectors. Non-consumer facing services showed no growth, while consumer-facing services, noted a small 0.1% increase, revised down from 0.5%.

Production output decreased by 0.4% on the quarter and fell 2.3% on an annual basis. Manufacturing, the key component within production, noted declines in 4 of its 13 subsectors leading to a 0.1% contraction. The sector has been experiencing a downturn in recent months, with elevated cost pressures leading to further job losses and business optimism reaching a two-year low.

Construction was the only sector to see increased output in Q3, growing by 0.7%. New work rose by 1.6%, with the largest positive contribution coming from infrastructure with a growth of 2.1%.
On a monthly basis, GDP experienced a 0.1% increase in November 2024, driven by growth in the services sector (0.1%). Services output grew in half of its subsectors with human health & social work activities contributing the most over the month.

However, consumer confidence dropped by 5 points to -22 in January, overshadowing two months of recovery post-budget as consumers confront worsening economic conditions.

Overall, the UK economy experienced a lacklustre winter 2024, with near-term tax hikes alongside geopolitical uncertainty pushing a meaningful recovery in growth back somewhat. We maintain our projection for further rate cuts from the Bank of England across 2025, though rate setters will remain vigilant of factors that could contribute to higher inflation.

The new US Government's trade policies, particularly tariffs on imports, have significant implications for the UK economy through the export channel and by potentially damaging global demand. However, as interest rates fall and cost-of-living pressures ease, economic demand in the UK is expected to rise, mitigating the impact.

However, gilt yields, which influence mortgage rates, have surged to their highest levels since the 2008 financial crisis, with 10-year gilt yields peaking at 4.89%. This increase is driven by robust economic data, inflationary pressures, and rising government borrowing, which have also elevated US Treasury yields and global bond yields.

In the UK, as well as these global factors, the rise in gilt yields is attributable to high services inflation, strong wage growth, and the increase in public spending from the Autumn Budget, alongside the implications for the public debt. This trend is likely to keep mortgage rates elevated, potentially dampening homebuyer demand and affecting housebuilder output.

4.1.3.2 Labour Market

According to the latest data from the Office for National Statistics (ONS), the UK unemployment rate (aged 16+) rose to 4.4% in the three months to November, marking a 0.1 percentage point increase from the previous three-month period. While low by historical standards, this indicates a further loosening of the labour market.

During the three month to November period the employment rate experienced a slight decline to 74.8%, easing by 0.1 percentage points from the previous three months and remaining largely unchanged year-on-year. Additionally, economic inactivity slightly decreased both on an annual and quarterly basis, though remains a significant economic barrier at 21.6%. Over the past year, inactivity has been primarily driven by long-term sickness, while the quarterly decrease was mainly attributed to student numbers.
Job vacancies declined for the 30th consecutive period in the three months to October – December, falling by 24 thousand to 812 thousand, dropping below pre-pandemic levels. This decline was observed in 10 out of 18 industry sectors, with the arts, entertainment, and recreation sector experiencing the most significant drop of 12.7%. These trends further indicate that the labour market is cooling, dampening the short-term economic outlook.

Meanwhile, the latest wage growth statistics for the three months to November 2024 revealed a further uptick in nominal and real earnings. Nominal regular earnings (excluding bonuses) and total earnings (including bonuses) each rose by 5.6% for the three months ending in November 2024. This marks a substantial rebound from the recent low of 3.9% recorded in August 2024. Adjusted for inflation, real regular earnings (excluding bonuses) and total earnings (including bonuses) grew by 2.5% and 2.4%, respectively.

Despite continued real wage growth in recent months, it is unlikely to convince the Bank of England against another expected 25-basis point cut to Bank rate at the next Monetary Policy Committee (MPC) meeting on the 6th of February.

In the coming quarters, we expect to see the UK labour market react to the introduction of higher employer's NICs costs to businesses from April, as announced in the Autumn Budget. This will see rates rise from 13.8% to 15%, and businesses will need to find ways to mitigate these increased costs. Potential strategies could include implementing hiring freezes. As a result, we have revised the unemployment rate up to 4.5% in 2025, and 4.6% in 2026-27, though the rate should ease back slightly thereafter as conditions improve.

Simultaneously, the slight loosening of the labour market, influenced by elevated NICs payments, will further contribute to a reduction in pay growth as businesses strive to offset the increased costs. Lower income earners will continue to experience strong real wage growth in the short-term, as the national minimum and living wage increase in April, although could be more susceptible to job loss if employed in lower paying sectors where the rise in NICs cost is most pronounced. On the other hand, middle to higher income earners are likely to see pay growth squeezed. Consequently, real household

disposable income is projected to ease substantially, slipping to 2.1% in 2025 before falling further in 2026 to 0.9%, maintaining a modest rate of growth thereafter.

4.1.3.3 Consumer Price Inflation

Consumer Price Index (CPI) inflation declined to 2.5% in December. Goods prices rose by 0.3pp, with a move from 0.4% to 0.7%, while services inflation fell from 5.0% to 4.4%.
More than half of the overall CPI 12-month rate increase came from Restaurants & hotels (0.50pp), Recreation & culture (0.48pp), 'Housing, water, electricity, gas and other fuels' (0.40pp) and Miscellaneous goods & services (0.32pp).

The decline in year-on-year inflation is mainly due to slower price increases in the services sector, including 'hotels and restaurants' and 'recreation and culture,' which fell from 4.0% to 3.4% and 3.6% to 3.4%, respectively. However, this reduction is expected to be short-lived as firms pass on rising costs related to energy prices, reduced business rates relief, higher National Insurance Contributions (NICs), and increased national living and minimum wages to consumers. Labour-intensive, low-paying industries like hospitality and accommodation are particularly vulnerable to these cost increases.

Furthermore, year-on-year inflation for 'clothing & footwear' slowed from 2.0% to 1.1% between November and December. This deceleration is attributable to Black Friday weekend and cyber-Monday sales, which carried over into December. Consequently, clothing and footwear retailers experienced a 4.4% surge in sales compared to November, as consumers took advantage of the discounts in the lead up to Christmas.

However, fuels and lubricant prices increased by 1.2% month-on-month in December, driven by rising fuel prices, as businesses passed on additional costs from higher wage growth and rents to consumers, putting increased pressure on motorists' budgets. The Competition and Markets Authority have raised concern over the lack of competition between retailers in the fuel market resulting in elevated prices.

As such the Government have promised to introduce a mandatory price reporting scheme by the end of this year, which should increase price transparency for consumers, and lead to increased competition by enabling consumers to make more informed choices.

On a monthly basis, prices rose by 0.3% in December. This was underpinned by rises in Transport (+0.14pp), 'Furniture, household equipment and maintenance' (+0.09pp) and 'Food and non-alcoholic beverages' (+0.05pp).

The fall in inflation in December has strengthened market expectations of a 25-basis point cut in Bank Rate in February which would be a welcome relief for households and businesses facing elevated borrowing costs. However, several factors could still prevent the Monetary Policy Committee from reducing rates. Persistent inflationary pressures remain a concern, particularly as many business leaders have announced price increases to counteract rising costs, post-Budget tax hikes. In addition, the front-loaded nature of government spending announced in the Autumn Budget is expected to boost demand for goods and services resulting in inflation peaking at 3.0% this year. Furthermore, the weakening of the pound in recent weeks will make the Bank of England more vigilant of the monetary policies of other central banks, particularly the US Fed and ECB. If these institutions maintain elevated base rates, reducing the UK interest rate could result in further deprecation of the pound, exerting upward pressure on domestic inflation as UK import costs rise.

4.1.3.4 Trade

The UK's total trade in goods and services deficit widened by £3.8bn to £10.8bn in the three months to November 2024. This increase was primarily driven by a larger fall in exports compared to imports.

Goods imports fell by £0.3bn (0.6%), with a notable decrease in EU trade while non-EU trade remained stable. Specifically, imports from the EU fell by £0.3bn (1.2%), attributed to reduced imports of machinery and transport equipment. During the same period, goods exports increased by £0.2bn (0.8%), driven by a £0.4bn (3.0%) rise in exports to non-EU countries, while exports to the EU decreased by £0.2bn (1.3%) due to reductions in machinery, transport equipment, chemical exports, and fuels. Consequently, the trade in goods deficit widened by £1.8bn to £54.1bn in the three months to November 2024, while the trade in services surplus is estimated to have narrowed by around £1.9bn to £43.3bn.

The continued relative outperformance of services versus goods reflects the stronger performance in the services sector compared to manufacturing, as indicated by both GDP and PMI survey data. We expect the overall trade deficit to reduce as global demand improves. However, geopolitical tensions and economic policies, such as the potential imposition of US tariffs on goods exports and more punitive tariffs on Chinese exports, pose significant downside risks to the UK trade balance. These tariffs could increase costs for international businesses and consumers purchasing UK goods, potentially reducing demand and squeezing financial margins, thereby dampening output in the medium term.

4.1.3.5 Balance Of Payments

The latest ONS data shows that public sector net borrowing, excluding public sector banks (PSNB ex), reached £17.8bn in December 2024. This figure is £10.1bn higher than the same month in the previous year, marking the highest December borrowing for four years.

Initial estimates indicate that borrowing was £3.2bn above the £14.6bn forecast by the Office for Budget Responsibility (OBR), making it the third highest December borrowing since records began in January 1993.

Central government receipts totalled £737.8bn in the financial year to December 2024, an increase of £24.8bn compared to the same period in the previous year. However, central government expenditure exceeded receipts, amounting to £100.2bn in December 2024. The interest payable on central government debt was £8.3bn in December 2024, significantly higher than the £3.8bn recorded in December 2023, due to fluctuations in the Retail Price Index (RPI).

Despite measures announced in the Autumn Budget 2024, the UK tax burden is projected to rise. The OBR's October 2024 forecasts predict that tax as a share of GDP will increase to 37.3% by 2028/29, slightly higher than the 37.1% estimated in March 2024, maintaining its highest level since 1948.
The increase in the tax burden is driven by frozen thresholds for personal tax allowances, such as income tax, in a high inflation environment. This is expected to generate an additional £9.2bn in revenue annually for the government but may disincentivise work, with an estimated 130,000 individuals expected to withdraw from the labour market between 2021/22 and 2028/29.

Furthermore, recent increases in National Insurance contributions, the introduction of VAT on private school fees, and higher Capital Gains Tax rates will contribute to the rising tax burden. The UK's debt-to-GDP ratio is provisionally estimated at 97.2% at the end of December 2024, up from 94.5% at the end of December 2023, reaching levels last seen in the early 1960s. The OBR forecast shows the ratio peaking at 98.4% in 2024 before easing to 97.1% by 2029-30. Due to additional borrowing in this Budget, debt is 3.0% of GDP (£169.8bn) higher in 2028-29 than projected in March.

4.1.3.6 Upside Risks

Sanctions lift: The possible lifting of curbs upon Russian gas and oil exports to Europe remains the most significant upside risk to the forecast. This would provide further downward impetus for inflation and allow interest rates to drop back more swiftly.

Post-general election certainty: The certainty created by a majority outcome in the General Election could lead to stronger growth in business investment than contained in our base case projection.

Labour force: 'Back to work' policies and an easing in long-term sickness could see the labour force expand more quickly than projected, buoying growth in the medium to long term.

Savings rates: Consumer demand has been relatively resilient against a backdrop of high inflation. However, the savings ratio has picked back up in recent months suggesting consumers are still somewhat concerned regarding the economic outlook. If consumer confidence continues to trend up this could see precautionary savings ease, providing a boost to consumer spending.

Monetary Policy: Nominal pay growth is gradually slowing. A swifter associated drop back in services inflation could prompt a sharper loosening in monetary policy than that shown in the base case. This would have positive implications for household budgets and spending.

4.1.3.7 Downside Risks

Gas prices: The La Niña climate pattern is bringing colder weather this winter compared to the previous two years. If these wintry conditions persist in the coming months, global demand could rise further, leading to increased prices. This would exacerbate inflationary pressures in the UK and negatively impact consumer spending.

Middle East conflict: The key risk to the UK economy linked to the conflict in the Middle East that we envisage is that one or several major oil producing nations cut oil supply as a political reaction. A wider conflict could also disrupt global supply chains. Additionally, the impact of the crisis in the Red Sea could drive up operating costs for businesses due to longer delivery times and delaying logistical plans as ships are rerouted to go around Africa's Cape of Good Hope. All outcomes would result in higher inflation.

Trump Tariffs: The change of president in the US in January is likely to result in tariffs being imposed on goods flowing into the US. As an open economy the UK could be particularly adversely impacted. Even if the UK avoids tariffs directly there would be a downward impact linked to a general slowdown in global trade and growth.

Interest Rates: Gilt yields rose in the run up to and following the delivery of the Autumn Budget in late October, as financial market players digested the implications for the public finances of the large spending and borrowing plans announced. High services inflation, strong wage growth and increased US Treasury yields have also contributed to the spike in gilt yields in the UK. Further increases in gilt yields could see mortgage rates rise or stay elevated for longer.

4.2 Regional Forecast

In addition to changes in the UK history, which our regional data is constrained to, changes in the regional history can be traced back to the latest quarterly data (September 2024 RPS endpoint in brackets):

- Regional Workforce Jobs 2024 Q2 (2024 Q1)
- ILO Data for 2024 Q2 (2024 Q1)
- Business Register and Employment Survey (BRES) 2022 (2022)
- Annual Survey of Hours and Earnings (ASHE) 2024 (2023)

Also note that the historical processing and forecasting has been reviewed from the ground up and certain parts have been streamlined or automated where appropriate, resulting in minor changes to history for some series – e.g., where a different smoothing or seasonal adjustment technique has been applied, or an outdated fix to the data has been removed.

December 2024 RPS forecast. Previous forecast (September 2024 RPS) in brackets.

Regional forecast 2024-43	SW	SE	GL	ET	EM	WM	NW	NE	YH	SC	WA	NI
GVA growth	1.7% (1.7%)	1.9% (1.9%)	2.1% (2.1%)	1.8% (1.8%)	1.6% (1.5%)	1.5% (1.5%)	1.4% (1.4%)	1.3% (1.2%)	1.4% (1.4%)	1.3% (1.3%)	1.3% (1.3%)	1.2% (1.2%)
Workforce Jobs growth	0.8% (0.8%)	0.8% (0.9%)	1.0% (1%)	0.6% (0.6%)	0.5% (0.5%)	0.4% (0.4%)	0.3% (0.3%)	0.2% (0.3%)	0.3% (0.4%)	0.3% (0.2%)	0.4% (0.4%)	0.2% (0.2%)
Unemployment rate	3.0% (3.0%)	3.3% (3.3%)	5.1% (5.1%)	3.4% (3.4%)	4.0% (4.1%)	4.7% (4.7%)	4.6% (4.6%)	5.4% (5.4%)	4.2% (4.2%)	3.7% (3.8%)	4.0% (3.9%)	3.5% (3.6%)
Real income growth	1.8% (1.9%)	2.2% (2.2%)	2.3% (2.4%)	2.2% (2.2%)	1.6% (1.7%)	1.5% (1.6%)	1.5% (1.6%)	1.2% (1.3%)	1.6% (1.6%)	1.5% (1.6%)	1.5% (1.5%)	1.7% (1.7%)
Spending volumes growth	1.5% (1.4%)	1.9% (1.9%)	2.4% (2.3%)	1.7% (1.7%)	1.5% (1.5%)	1.5% (1.5%)	1.5% (1.5%)	1.2% (1.2%)	1.5% (1.5%)	1.3% (1.3%)	1.2% (1.2%)	1.6% (1.6%)
House price growth	4.0% (4%)	4.1% (4.1%)	3.7% (3.7%)	3.9% (3.9%)	3.8% (3.7%)	3.6% (3.5%)	3.9% (4.2%)	3.8% (3.7%)	3.6% (3.3%)	3.9% (3.9%)	3.6% (3.5%)	3.9% (3.8%)

4.3 Local Forecast

In addition to revisions at the regional and the UK level to which our local data is constrained to, changes to the local history can be traced back to the following new quarterly data (September 2024 RPS endpoint in brackets):

- APS/LFS data for 2024 Q2 (2024 Q1)
- Business Register and Employment Survey (BRES) 2022 (2022)
- Annual Survey of Hours and Earnings (ASHE) 2023 (2023)

Also note, that the historical processing and forecasting has been reviewed from the ground up and certain parts have been streamlined or automated where appropriate, resulting in minor changes to history for some series – e.g., where a different smoothing or seasonal adjustment technique has been applied, or an outdated fix to the data has been removed.

For more information about how the history is constructed refer to section 3.2.1 for regions and section 3.3.1 for local authorities.

4.4 Population

Population forecasts for all locals, regions and nations have been updated to include published mid-year estimates between 2017-19, onto which the latest 2018-based population projections are spliced. The ONS have revised population projections downward in the mid-to-long run for all nations. Compared to 2016, the ONS now expects higher net international migration, women to have fewer children due to a fall in total fertility rates, and life expectancy not to increase as much as previously expected.

- The populations of all regions in England are projected to grow by mid-2029; regions in the north of England are projected to grow at a slower rate than those in the south.
- East Midlands is projected to be the fastest growing region; the North East is projected to have the slowest rate of growth.
- Nearly all local authorities are projected to grow by mid-2029; the populations of 43 local authorities are projected to fall.
- North West Leicestershire is projected to be the fastest growing local authority in England; its population is projected to grow by 15.1% between mid-2019 and mid-2029.
- The number of people in older age groups is projected to grow faster than those in younger age groups in all but one local authority, Coventry. By mid-2029, a total of 122 local authorities are projected to have a population where at least one-quarter of the population is aged 65 and over.
- Over the 10 years to mid-2029, London is the region with the fastest increase in population of those aged 65 and over; however, it remains the region with the lowest old age dependency ratio. The South West is projected to have the highest old age dependency ratio by mid-2029.

5 A note from the ONS on volatility

A change in methodology behind the ONS employment surveys has produced widespread volatility in the historical data, particularly from 2010.

The following is an explanation directly from the ONS, please see section 3 for more information on how we deal with volatility in the official data:

> "A fundamental redevelopment of Workforce Jobs sources, classifications, methods and systems was recently undertaken and is explained clearly in the article 'Revisions to Workforce Jobs' (Barford 2010). One of the key changes highlighted in this article was the replacement of a matched-pairs estimator with a point-in-time ratio estimator, ONS's standard method. This change was aimed at removing the bias caused by the matched-pairs method. A matched-pairs method tends to underestimate change over time, as it excludes the births and deaths of businesses in the sample. In essence, only those businesses sampled in two consecutive periods are used to produce estimates of change. This bias used to cause large revisions when the short-term employment surveys series were benchmarked retrospectively to Business Register Employment Survey (BRES) estimates. BRES is an annual survey which selects a larger sample and also uses a point-in-time ratio estimator. The point-in-time estimator includes all sampled businesses in each and every period, which reduces the bias over-time. The trade-off is an increase in volatility caused by the inclusion of the rotated part of the sample for small and medium sized businesses. Sample rotation spreads the administrative burden; ensuring businesses are selected for a limited number of periods.
>
> Unfortunately, the volatility of regional estimates at an industry level has been far greater than anyone anticipated and in general has been met unfavourably by users, particularly those that are interested in regional data. There are a number of instances, for example, whereby businesses have been 'rotated in' to a particular region and served to distort the level of jobs for a particular industry, usually for a period of 5 quarters, which is the time a rotated business remains in the sample of the STES."

Regional employment is the most timely and only source of quarterly data at this level of geography and is used to derive the quarterly profile of other variables in our regional models. Therefore, this volatility is reflected in output as well as employment. Please see section 3 for more information on how we deal with volatility in the official data.

Appendix A…. Glossary of terms

Glossary of terms

Gross Domestic Product (GDP) Total work done in an economy in a period measured in one of three ways:

- Output Measure: Output of all goods and services less inputs
- Income Measure: Income earned by all parts of the economy
- Demand Measure: Demand for goods and services comprised of
    - Expenditure by Households, NPISH and Government
    - Investment (Gross Fixed Capital Formation) by business and Government
    - Changes in Inventories and Acquisitions less disposals of valuables
    - Exports less imports

GDP is measured in market prices: this means that the prices used to convert output of goods and services into money include taxes and subsidies by the government. Distributors' margins are credited to the industry producing the goods and services not to the distribution industry.

Gross Value Added (GVA) GVA is identical to GDP except that it is measured in basic prices. These prices do not include taxes and subsidies imposed by the government. Distributors' margins are credited to the distribution industry. GVA for an industry is described by either of the following identities:

- GVA is identical to output of the industry less inputs of the industry
- GVA is identical to the sum of
    - Compensation of Employees in the industry
    - Gross Operating Surplus (i.e. profit) earned by capital in the industry

When looking at GVA for an industry, it is important to realise that it only includes the output of that industry (i.e. the value added by that industry.) For example, retailing GVA only includes the value added by retailers (e.g. customer service etc).

GVA in the RPS is measured by the place where the work is done (workplace based) and not where the worker resides.

Current Price / Chain Volume Measure (CVM) Data where the unit of measurement is money are available either in Current Price (or Nominal) terms or CVM (or Real) terms. The distinction is important because the buying power of money changes over time. For current price data, no adjustment is made for this fact. CVM data adjusts all figures in a time series to be consistent with the buying power of money in a given year (the reference year). Current Price data, thus, measures values while CVM data measures volumes. For example, Current Price GDP is the money value of production in a given period while CVM GDP is the amount of production. For years before the reference year, CVM data is not additive (thus the sum of GVA for all sectors will not equal total GVA.) In all other years, CVM data is additive.

Productivity A measure of efficiency calculated by estimating output per unit of input

Workforce Jobs A count of the total number of jobs in the UK, a region or industry. It is comprised of

- Employee Jobs: The number of jobs where the occupant is an employee.
- Self-employee Jobs: The number of jobs where the occupant is self-employed
- Government-Sponsored Trainees: The number of jobs where the occupant is on a government training scheme.
- Her Majesty's Forces: The number of jobs in the armed forces (part of Public Administration & Defence).

Workforce jobs and all its components count jobs and not people. This means that where a person has two or more jobs they are counted once for each job that they have. This can be contrasted with the ILO employment measures. Another consequence of counting jobs is that Workforce Jobs is based on the place of work not the residence of the worker

Full Time Equivalent Employment: Our definition is based on total hours worked and is as follows:

FTE = (HOURS) divided by (37.8*13)

Here a constant yardstick of full-time employment for all industries, regions and industry-region based on thirteen working weeks in a quarter at 37.8 hours a week. 37.8 hours is the average hours worked by a full-time worker in the UK between 1990 and 2009.

ILO Employment The International Labour Organisation (ILO) provides an international standard method of measuring employment. In the UK this is implemented by means of a survey known as the Labour Force Survey (LFS) or Annual Population Survey (APS). It is a people count based on the main job that a person has. Employment comprises:

- Employees: People whose main job is as an employee.
- Self-employed: People whose main job is as a self-employed person.
- Government-Sponsored Trainees: People whose main job is on a government training scheme.
- Unpaid Family Workers: People whose main job is as an unpaid worker in a business owned by their own family.

There are two measures:

- Residence based, which depends on the place of residence of the worker (irrespective of where they work.)
- Workplace based, which depends on the place of work of the worker (irrespective of where they reside.)

The ILO Employment reported is based on the entire population in work ages 16+.

ILO Unemployment The International Labour Organisation (ILO) definition of unemployment covers people who are: out of work, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight; or out of work and have accepted a job that they are waiting to start in the next fortnight.
ILO unemployment is only available on a place of residence basis and is based on the entire unemployed population ages 16+.

Labour Force / Economically Active The sum of ILO Unemployment and ILO Employment. That is all people who are in work or who are looking for a work. A person who is in the labour force is said to be Economically Active.

The Labour Force includes the entire Economically Active population ages 16+.

Economically Inactive A person who is not economically active. The principal categories are retirees, students, children, long-term sick or disabled, homemakers and carers. This does not include school-aged people.

Claimant Count Unemployment Measures the number of people who are claiming Jobseekers' Allowance (JSA). This is always less than ILO Unemployment because not everyone who is ILO unemployed is eligible to claim JSA and not all who are eligible claim. Particular important cases are:

- People whose partners work more than 16 hours a week – they cannot claim JSA but may be ILO unemployed.
- People who are past state retirement age – they cannot claim JSA but may be ILO unemployed.

Extra Region In addition to the 9 English regions and the nations of Scotland, Wales and Northern Ireland, the UK's economic boundary includes the continental shelf and UK government operations abroad (i.e. embassies and HMF abroad). The ONS does not assign income or GVA attributable to these sources to any region or nation. Therefore, the sum of regional Income or GVA does not equal the UK. This also impacts on two industries Extraction & Mining and Public Administration & Defence.

School Age Population Population aged 0-15.

Working Age Population Population above the age of 15 but below the current state retirement age for their gender.

Retirement Age Population The population above state retirement age. The precise retirement date depends on date of birth and, for those born before 6th November 1953, on gender. At present, there is a phased equalisation in progress. After 6th November 2018, both men and women will retire at 65. This will rise to 66 between 6th March 2019 and 6th September 2020 and 67 between 6th April 2026 and 6th March 2027. Our forecasts take account of these changes to retirement legislation.

Adult (16+) Population Number of all people aged 16 and above.

Household Consumer Spending The accounts relate to consumption expenditure by UK resident households, either in the UK or the rest of the world. Spending by non-residents in the UK is excluded from the total

Household consumption includes goods and services received by households as income in kind, in lieu of cash, imputed rent for the provision of owner-occupied housing services and consumption of own production

For national accounting purposes, households are individuals or groups of people sharing living accommodation

Household Disposable Income Household disposable income is the total payment to households (from wages, interest, property income and dividends) less taxes, social security, council payments and interest

Cost of living index Regional consumer spending deflator. Gives an indication of how the value of consumer spending has grown in comparison to the volume.

NUTS (Nomenclature of Territorial Units for Statistics) A European Union standard for classifying the subdivisions of member states. In the case of the UK, the English regions and the three nations are classified as NUTS1. The next level – NUTS2 – typically consists of aggregations of local authorities in the same region. The level below that, NUTS3 consists either of single local authorities or a small aggregation of local authorities in the same NUTS2. In Scotland, some local authorities are divided between NUTS3. NUTS4 and NUTS5 also exist but are not used in the RPS.

Appendix B…Sector definitions

Sector definitions

Experian 38-sector	SIC-2007 division	Falls within Experian 12-sector
Agriculture, Forestry & Fishing	01 Crop and animal production, hunting and related service activities	Agriculture, Forestry & Fishing
	02 Forestry and logging	
	03 Fishing and aquaculture	
Extraction & Mining	06 Extraction of crude petroleum and natural gas	Extraction & Mining
	05 Mining of coal and lignite	
	07 Mining of metal ores	
	08 Other mining and quarrying	
	09 Mining support service activities	
Food, Drink & Tobacco	10 Manufacture of food products	Manufacturing
	11 Manufacture of beverages	
	12 Manufacture of tobacco products	
Textiles & Clothing	13 Manufacture of textiles	
	14 Manufacture of wearing apparel	
	15 Manufacture of leather and related products	
Wood & Paper	16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	
	17 Manufacture of paper and paper products	
Printing and Reproduction of Recorded Media	18 Printing and reproduction of recorded media	
Fuel Refining	19 Manufacture of coke and refined petroleum products	
Chemicals	20 Manufacture of chemicals and chemical products	
Pharmaceuticals	21 Manufacture of basic pharmaceutical products and pharmaceutical preparations	
Rubber, Plastic and Other Non-Metallic Mineral Products	22 Manufacture of rubber and plastic products	
	23 Manufacture of other non-metallic mineral products	
Metal Products	24 Manufacture of basic metals	
	25 Manufacture of fabricated metal products, except machinery and equipment	
Computer & Electronic Products	26 Manufacture of computer, electronic and optical products	

	27 Manufacture of electrical equipment	
Machinery & Equipment	28 Manufacture of machinery and equipment n.e.c.	
Transport Equipment	29 Manufacture of motor vehicles, trailers, and semi-trailers	
	30 Manufacture of other transport equipment	
Other Manufacturing	31 Manufacture of furniture	
	32 Other manufacturing	
	33 Repair and installation of machinery and equipment	
Utilities	35 Electricity, gas, steam, and air conditioning supply	Utilities
	36 Water collection, treatment, and supply	
	37 Sewerage	
	38 Waste collection, treatment, and disposal activities; materials recovery	
	39 Remediation activities and other waste management services. This division includes the provision of remediation services, i.e. the clean-up of contaminated buildings and sites, soil, surface, or ground water.	
Construction of Buildings	41 Construction of buildings	Construction
Civil Engineering	42 Civil engineering	
Specialised Construction Activities	43 Specialised construction activities	
Wholesale	45 Wholesale and retail trade and repair of motor vehicles and motorcycles	Wholesale & Retail
	46 Wholesale trade, except of motor vehicles and motorcycles	
Retail	47 Retail trade, except of motor vehicles and motorcycles	
Land Transport, Storage & Post	49 Land transport and transport via pipelines	Transport & Storage
	52 Warehousing and support activities for transportation	
	53 Postal and courier activities	
Air & Water Transport	50 Water transport	
	51 Air transport	
Accommodation & Food Services	55 Accommodation	Accommodation, Food Services & Recreation
	56 Food and beverage service activities	
Recreation	90 Creative, arts and entertainment activities	
	91 Libraries, archives, museums, and other cultural activities	
	92 Gambling and betting activities	
	93 Sports activities and amusement and recreation activities	

Media Activities	58 Publishing activities	Information & communication
	59 Motion picture, video and television programme production, sound recording and music publishing activities	
	60 Programming and broadcasting activities	
Telecoms	61 Telecommunications	
Computing & Information Services	62 Computer programming, consultancy, and related activities	
	63 Information service activities	
Finance	64 Financial service activities, except insurance and pension funding	Finance & Insurance
	66 Activities auxiliary to financial services and insurance activities	
Insurance & Pensions	65 Insurance, reinsurance, and pension funding, except compulsory social security	
Real Estate	68 Real estate activities	Professional & Other Private Services
Professional Services	69 Legal and accounting activities	
	70 Activities of head offices; management consultancy activities	
	71 Architectural and engineering activities; technical testing and analysis	
	72 Scientific research and development	
	73 Advertising and market research	
	74 Other professional, scientific, and technical activities	
	75 Veterinary activities	
Administrative & Supportive Service Activities	77 Rental and leasing activities	
	78 Employment activities	
	79 Travel agency, tour operator and other reservation service and related activities	
	80 Security and investigation activities	
	81 Services to buildings and landscape activities	
	82 Office administrative, office support and other business support activities	
Other Private Services	94 Activities of membership organisations	
	95 Repair of computers and personal and household goods	
	96 Other personal service activities	
	97 Activities of households as employers of domestic personnel	
	98 Undifferentiated goods- and services-producing activities of private households for own use	

Public Administration & Defence	84 Public administration and defence; compulsory social security	Public Services
	99 Activities of extraterritorial organisations and bodies	
Education	85 Education	
Health	86 Human health activities	
Residential Care & Social Work	87 Residential care activities	
	88 Social work activities without accommodation	

Appendix C…Geography definitions

We forecast at the following geographic breakdowns:

- UK
- Regions (12)
- Counties (64)
- Local authorities, post-2023 boundaries (317+33 London boroughs)

Appendix D…FAQ's

- Why does Experian's history for variable x differ from another source / raw survey data?

There are several possible reasons.

  - The first is a vintage mismatch. The ONS frequently revises its economic data in order to take account of new information or improved methodology. The date at which Experian has taken data for the current RPS is given in the body of this guide. Another source may have used earlier or later data.
  - The second relates to data processing. As explained in the body of this guide, it is sometimes necessary at the regional level and (particularly) at the local level to process or construct data. Our approach to doing this is explained in the body of this guide. We apply consistent methodologies to process the data. Other sources may carry this out in different ways. When compared against the raw source, our data may differ because, for example:
    - It has been constrained to other sources.
    - It has been converted into CVM data or quarterly data.
    - It has been made consistent with other data or a later vintage of data.
  - The third relates to raw survey data. Raw survey data is often volatile and does not consider information outside the survey. Official statistics and our data are constructed from the raw survey data to take into account volatility, sampling issues and all available data sources.

- Why does Experian's job history differ from the *ABI* or *BRES*?
  - The ABI/BRES are surveys taken from a particular year; they are not updated.
  - ABI/BRES is a source for ONS' workforce jobs, but it is not the only source.
  - BRES does not include government supported trainees, HM forces jobs and every self-employed small business. As a result, BRES's employment numbers (mainly consisting of total employees and working owners e.g. sole traders) would be lower than the ONS's workforce jobs.
  - Experian's workforce job history is designed to be consistent with the latest available ONS workforce jobs estimates, which includes a broad range of jobs (i.e. employee jobs, self-employment jobs, government supported trainees and HM forces).
  - Raw survey is often incomplete and suffers from sampling variability, which does not represent true volatility in the underlying population data. This must be removed to ensure high quality data.

- How often are data updated?
  - We always use the latest available data at the cut-off date for history.
  - New GVA data is available from the ONS
    - At the UK Level, three times a quarter.
    - At the Regional and Local level, annually (normally in December.)
  - New Expenditure data is available from the ONS at the UK level twice a quarter.
  - New LFS Employment data is available from the ONS once a quarter.
  - New Workforce Jobs data is available from the ONS once a quarter.
  - New BRES is published once a year (normally in December.)
  - New Income data is available from the ONS
    - At the UK level, once a quarter.
    - At the Regional and Local level, once a year (normally in April.)
  - Population projections are published once every two years.
  - New mid-year population estimates are published annually.
  - New LCFS is published annually.

- How do revisions to historical data affect your history and forecasts?
  - As explained above, we always take into account the latest historical data.
  - The monthly UK macro forecast is updated after each ONS revision of GDP for a quarter.
  - The RPS is based on a particular UK macro forecast and includes the latest available regional and local data.

    - Forecasts are updated to be consistent with the latest historical data. While this will typically only affect the short-to-medium term, there are times when the long-run is necessarily affected. This will usually be when there has been a substantial revision to history.

- How are past growth trends captured in the forecasts?
    - All our models are econometric models.
    - An econometric model is a model estimated on historical data.
    - The coefficients (i.e. interactions) in the model embed historical relationships between variables and historical growth rates in a variable.
    - Where we believe that the forecast relationships may differ from history, we make appropriate adjustments to the forecast. This may be the case, for example, where an area has been substantially redeveloped in recent years.

- How are industry/regional/local developments and policies reflected in forecasts?
    - If past developments and policies are reflected in model inputs (for example population) or in history, then they will be automatically captured by the model.

    - Our forecasts are policy-neutral in the sense that in our baseline assumes that sufficient projects, infrastructure, jobs etc. will be provided to meet the needs of the population in the long term. Thus although the project may not be explicitly included, an assumption that a project of its nature may have been included in the baseline.
    - It is important to realise that many developments or policies may not be sufficiently large enough to affect growth rates or may be implicitly included in the forecast from a higher level of aggregation.

    - We are able to make appropriate adjustments to the forecast to take into account certain large projects.
    - At the industry level we can consider announced developments in that industry which are large enough to affect the growth in the industry at the national, regional, or local level (as the case may be).
    - At the regional and local, we have considered announced developments or policies which are large enough to affect growth at the regional or local level. The local model, in particular, has the facility to take into account the impact of additional population or jobs in a particular area.
    - The final forecast will show the net effect of the adjustment, after the effects of population constraints, job cannibalisation, commuting patterns etc.

- How does population relate to the employment forecasts?
    - This is discussed in detail in the methodology section above for the regions and the locals.
    - It is important to remember that employment is forecast on both a residence and workplace basis.
    - Residence based employment depends on local population (labour supply) growth but also on demand for work throughout the region and across the regional boundary.
    - Workplace based employment depends on labour supply throughout the region and across the regional boundary.

- What is working age?
    - The definition of working age used based on the state pension age.
    - As the state pension age for men and women changes in line with announced policy, the working age population will change to take this into account.
    - The key changes to the state pension age that have been announced are:
        - A gradual equality in state pension age for men and women.
        - A gradual rise in state pension age for both men and women to 67 (and 68 after the forecast horizon.)

- What is the participation rate / economic activity rate?
    - The participation rate or economic activity rate is the proportion of the population who are either employed or seeking employment (i.e. unemployed.)

    - The participation rate used in our models is based on the entire adult population (16+). This differs from earlier versions of our models which used only the working age population.
    - The participation rate is an endogenous variable in all our models. It is not a fixed assumption.

- What assumptions have been made regarding commuting in the local model?
    - Commuting in the local model is based on estimates given by the ONS.
    - These are based on the Census 2011.
    - Commuting assumptions are fixed over the forecast.
    - However, the outcome for commuting may differ from the assumption because (for example) there is insufficient demand or supply for labour to provide as many workers as possible across a particular commuting relationship.

- How is Full-Time Equivalent employment derived?
    - This is based on the total hours worked (please see the glossary.)
    - The relationship between FTEs and hours is fixed by definition.
    - In different industries, the hours worked per job will differ.
    - Historical data for this is taken from ASHE (please see the body of the guide.)
    - The forecast considers changing trends in hours per job. This will necessarily alter the relationship between Full-Time Equivalent employment and jobs.

- How does the weighting of different factors change over the forecast period?
    - There is no fixed rule about the changes in this time.
    - The coefficients of the econometric equations are fixed over time.
    - However, at the local level population growth becomes more important as unemployment decreases.

- Are any automation and artificial intelligence (AI) assumptions considered in the labour market forecast period?
    - The labour force size is an independent variable in the employment forecast, alongside lagged employment and total hours worked (and lagged total hours worked).
    - The coefficients of the econometric equations are fixed over time.
    - Total hours worked is dependent on Gross Domestic Product (reflecting the strength (or not) of the economy), and labour augmenting technical progress.
    - The latter considers the impact of automation and artificial intelligence on hours and highlights a negative coefficient.

Appendix E…About us

Our economic forecasting expertise

Experian's team of economists is a leading provider of global, national, regional, and local economic forecasts and analysis to the commercial and public sectors. Our foresight helps organisations predict the future of their markets, identify new business opportunities, quantify risk, and make informed decisions.

Experian Market Intelligence Group

Would you like to understand how your credit portfolio compares to your peers and how it is likely to be impacted by changes in lending policy, market competition and the economy in the future? Our experts in economics, credit risk, construction, market analysis and portfolio benchmarking combine to provide an in-depth understanding of the market and economic context in which you manage your business both now and in the future.

For more information, please contact us on Experian.Economics@uk.experian.com

How we can help you

01
An independent unbiased view of the market based upon quantitative analysis of data.

02
Benchmark your portfolio against your peers, both now and forecast into the future.

03
Provide economic forecasts specific to your sector.

04
Develop accurate business case(s) for entry into new markets.

05
Assess future market risk and predict potential economic pressures – at a granular level.

06
Highlight future revenue opportunities.

07
Meet regulatory requirements for stress testing and loss forecasting.

Experian helps organisations understand the market, economy and future changes in household and business finances.

Published by the Market Insight Group of Experian plc, Cardinal Place, 80 Victoria Street, London SW1E 5JL.

Registered office address:
The Sir John Peace Building, Experian Way, NG2 Business Park, Nottingham, NG80 1ZZ
www.experian.co.uk

Appendix 2 Site Assessment Audit

A2.1 This Appendix summarises key outputs from an assessment of employment land in Tonbridge & Malling undertaken in 2023. This reviewed the characteristics and quality of existing and allocated employment sites and their suitability to meet future employment development needs.

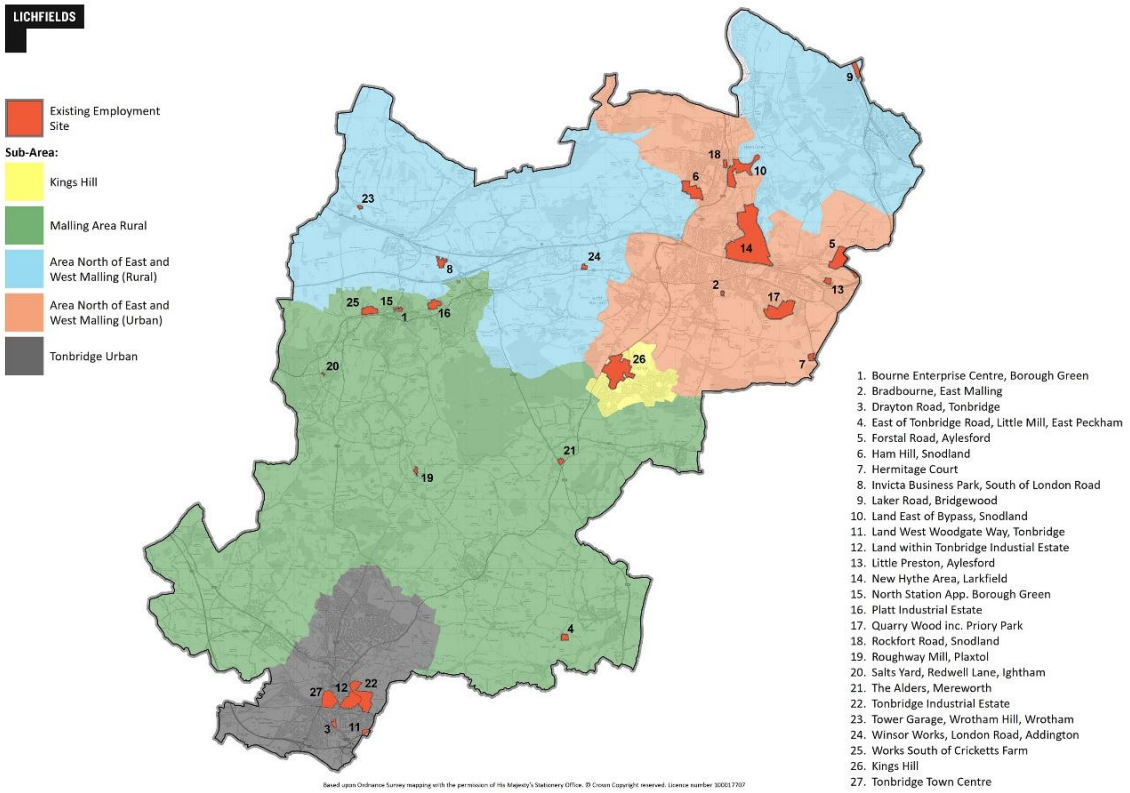
A2.2 The assessment included a sample of 25 existing employment sites comprising a total of 369 ha in locations across the borough. The distribution of these employment sites across the borough is illustrated in Figure A2.1.

A2.3 A further two additional areas of employment land were identified but not included as part of the detailed site assessments.

A2.4 First, this includes the area allocated as E1 within the Kings Hill sub-area, consisting mostly of relatively modern office units with some retail development. This area provides a small cluster of employment land in addition to the borough's larger employment clusters across Tonbridge and Aylesford/New Hythe.

A2.5 Second, the Tonbridge town centre area (which encompasses some E1 employment areas already included within the site assessments) comprises a variety of mixed town centre employment uses including offices and some smaller light industrial and distribution units. Although not included as employment sites for the purposes of this study, these areas do provide some additional stock of employment land across the Borough.

Figure A2.1 Existing employment sites across Tonbridge & Malling



Source: Tonbridge & Malling Borough Council | Lichfields analysis

Assessment methodology

A2.6 The assessments have been undertaken in accordance with applicable planning practice guidance[65] and are based on scoring each site against a range of site assessment criteria which are set out below:

- Strategic road access;
- Local accessibility;
- Proximity to urban areas and access to local labour and services;
- Proximity to incompatible uses;
- Site characteristics and development constraints; and
- Market attractiveness.

A2.7 Other factors were also noted including the nature of existing business activity on the site, any barriers to the delivery of undeveloped sites for employment uses and the potential for intensification/redevelopment of existing sites.

A2.8 It should be noted, however, that this assessment process in itself does not necessarily provide a complete picture of a site's role within the local economy. For example, a site's importance to meeting particular business or sector needs can be important reasons for retaining a site even if it does not perform well against conventional site assessment criteria.

A2.9 It is also important to note that the assessment was based on the conditions and intrinsic qualities of each site at the time of assessment in summer 2023. The basis for assessment could therefore change over time if measures were to be put in place to improve their functioning as employment sites (for example through new infrastructure and servicing).

Overview of existing sites

A2.10 Table A2.1 sets out the proportion of existing employment land located within each of the five Borough sub-areas as defined by the Council:

1. Area North of East and West Malling (Urban);
2. Area North of East and West Malling (Rural);
3. Malling Area Rural;
4. Tonbridge Urban; and
5. Kings Hill.

[65] MHCLG (2019) Planning Practice Guidance: Housing and economic land availability assessment. Available at: https://www.gov.uk/guidance/housing-and-economic-land-availability-assessment [Accessed August 2025]

A2.11 This indicates a total of around 369 ha of existing employment land across the Borough, of which 60.8% falls within the Area North of East and West Malling (Urban) sub-area.

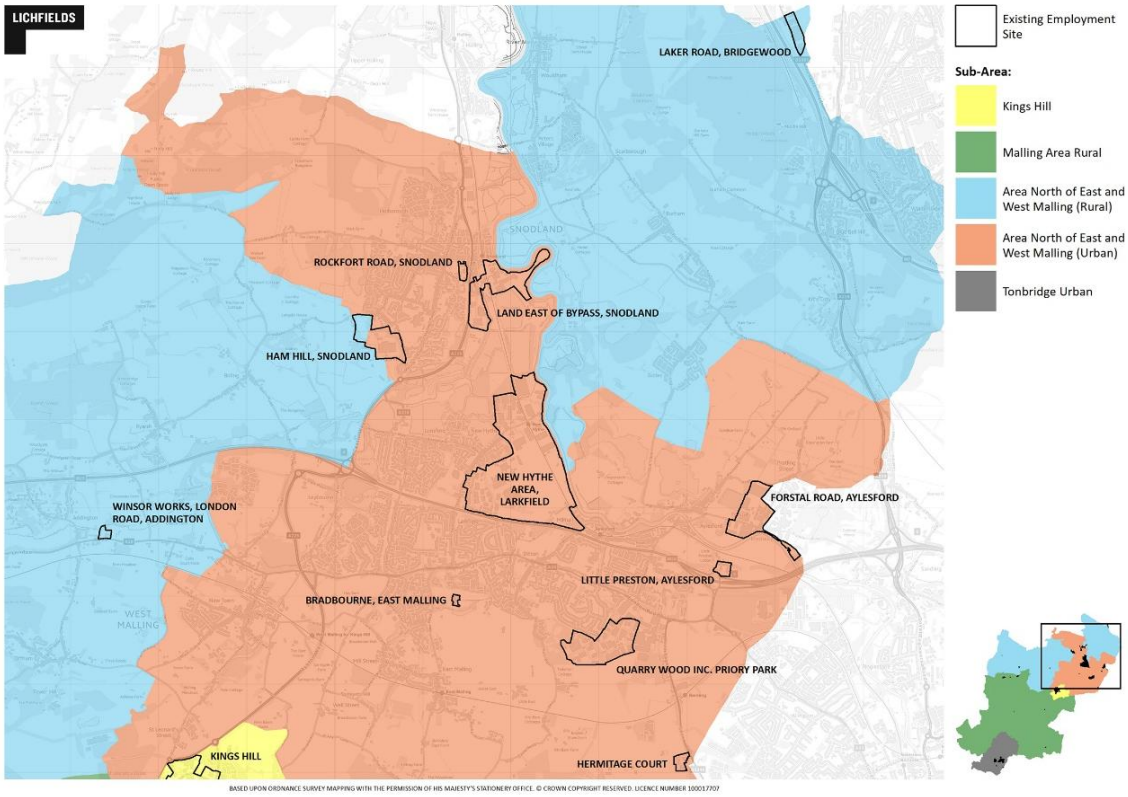
Table A2.2 Existing employment sites by Borough sub-area

	Area (ha)	% of Total	Number of Sites
Area North of East and West Malling (Urban)	224.2	60.8%	9
Area North of East and West Malling (Rural)	12.0	3.2%	4
Malling Area Rural	22.5	6.1%	8
Tonbridge Urban	62.8	17.0%	5
Kings Hill	47.2	12.8%	1
Total	**368.7**	**100%**	**27**

Source: Lichfields analysis

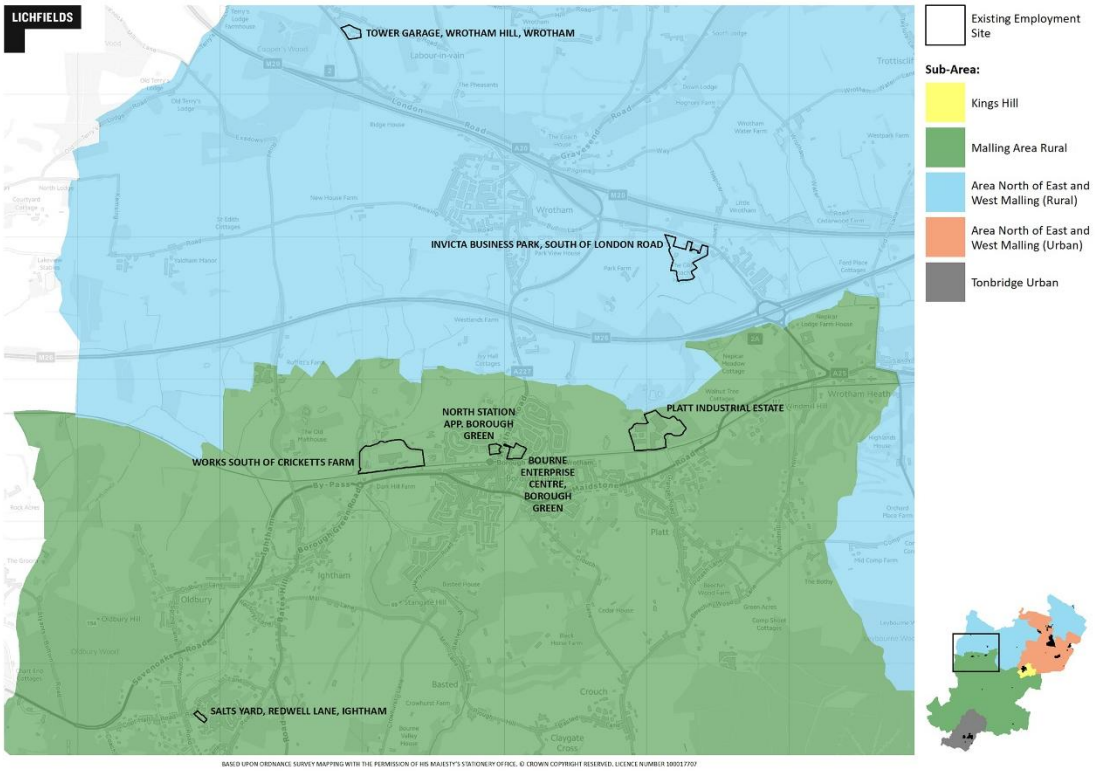
A2.12 The maps in Figures A2.2 to A2.6 inclusive provide a more detailed spatial context for the employment site assessment.

Figure A2.2 Spatial context of existing employment sites (1)



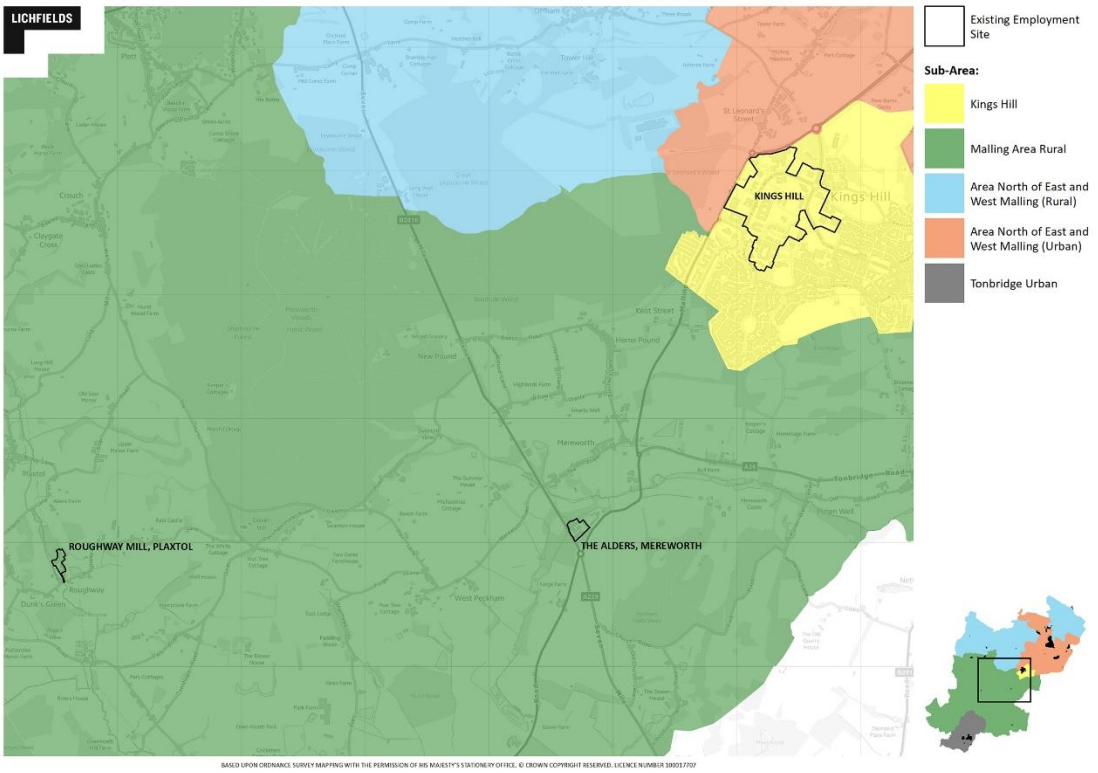
Source: Tonbridge & Malling Borough Council | Lichfields analysis

Figure A2.3 Spatial context of existing employment sites (2)



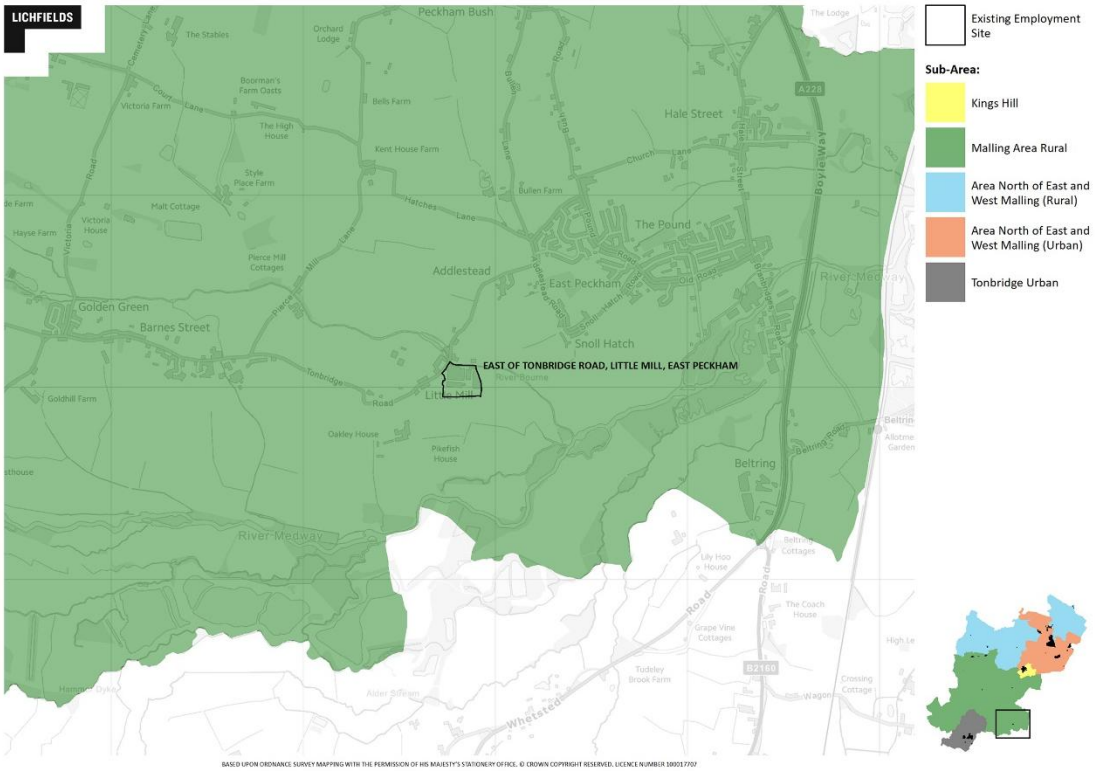
Source: Tonbridge & Malling Borough Council | Lichfields analysis

Figure A2.4 Spatial context of existing employment sites (3)



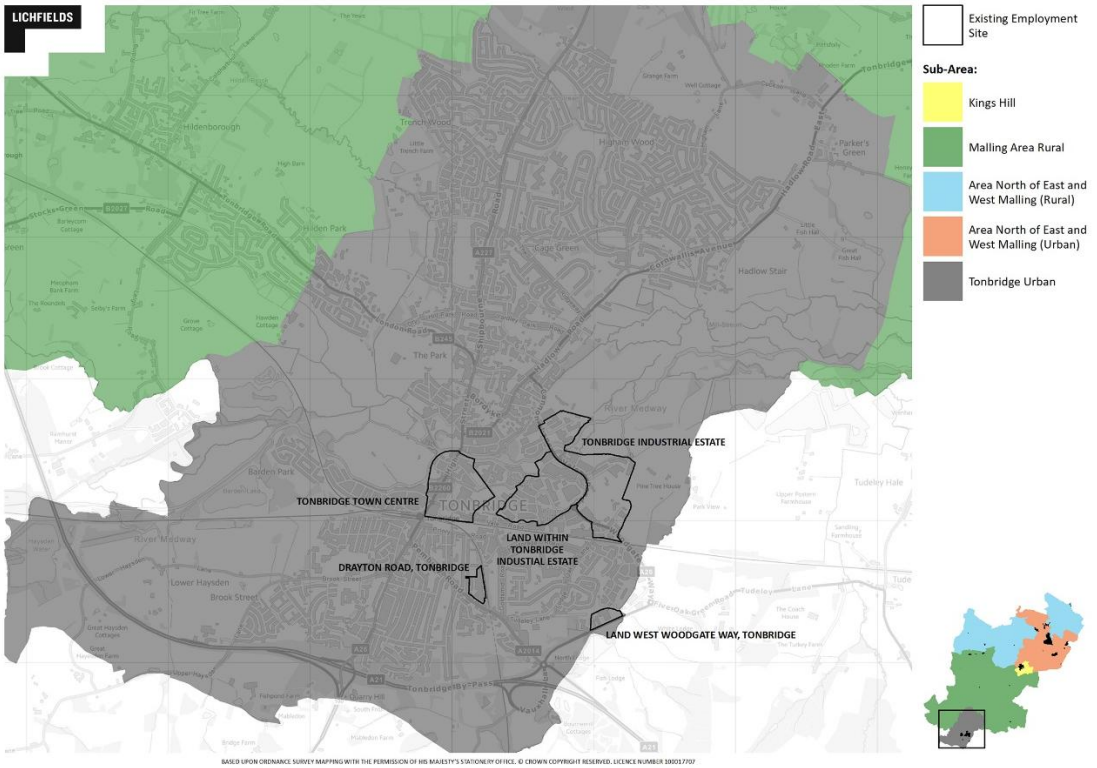
Source: Tonbridge & Malling Borough Council | Lichfields analysis

Figure A2.5 Spatial context of existing employment sites (4)



Source: Tonbridge & Malling Borough Council | Lichfields analysis

Figure A2.6 Spatial context of existing employment sites (5)



Source: Tonbridge & Malling Borough Council | Lichfields analysis

Area North of East and West Malling (Urban)

A2.13 Area North of East and West Malling (Urban) is located to the northeast of the borough. This sub-area has the largest concentration of employment sites with 60.8% of the borough's total identified employment land area which comprises over 224 ha across nine sites.

A2.14 **New Hythe Industrial Area, Larkfield** [14] (124.94 ha) New Hythe is a large, multi-occupier employment area consisting of almost 125 ha, that includes Larkfield Trading Estate, Riverside Business Park and New Hythe Business Park. It is located to the north of the M20 between Larkfield and Snodland. There are a range of B class and sui generis uses onsite including warehousing, storage, distribution, light industrial units, offices and trade counters of varying scale and quality. Large occupiers include Amazon and DHL. Some of the units are of poorer quality and ageing and therefore could benefit from refurbishment. However, there has been some investment in the site in recent years with a number of high-quality units constructed. A large area at the South of the site has been allocated for further large scale B2/B8 use as part of the Panattoni Park development. Overall, vacancy levels are low indicating that the range of units provide space to meet the employment needs of most sectors of the market. The site is well located in terms of accessibility, with good access to the strategic road network. Junction 4 of the M20 is accessible via the A228 and the area is served by two train stations; New Hythe to north of the site and Aylesford to the south. There are however pressures from other land uses, with part of the south west of the site already redeveloped for residential use, and the majority of the western boundary of the site adjoining residential. In summary, this is a key employment site which has undergone recent investment and that meets much of the Borough's B class employment needs. Accordingly, it is recommended to be retained.

A2.15 **Quarry Wood including Priory Park** [17] (28.97 ha) Quarry wood including Priory Park is located to the east of Ditton and south of Aylesford. It comprises of a mix of B1, B2, B8 and sui generis uses including a number of car showrooms. The type, scale and quality of the units on-site varies. There are a number of modern car showrooms and trade counters on-site. Priory Park is occupied by a large Tesco distribution facility and relatively new, good quality, small to medium scale office, light industrial and warehouse type units. Some of the units in Quarry Wood are ageing and of lower quality, including a large unoccupied B8 unit (formerly occupied by a Hermes distribution centre) which is currently being marketed. This site benefits from dedicated access onto the A20 and is less than 1km from the M20. Despite occupying an edge of centre location, public transport provision serving the site is limited. Much of the surrounding land is greenfield. Overall, this site provides some high-quality employment space, however there may be some scope for redevelopment in the short to medium term to replace or upgrade ageing stock. The Council should also seek to limit non-B uses on site.

A2.16 **Land East of Bypass, Snodland** [10] (24.09 ha) This large employment site is bisected by the rail line. The western section of the site has a dedicated access point onto the A228 and comprises of good quality B8 warehousing and distribution units. The western part of the site has good access however this is through a residential area. The eastern area is occupied by the Smurfit Kappa paper packaging plant. This edge of centre site is close to Snodland train station with good accessibility to local shops and services. There is limited space available to accommodate further development at this site due to proximity of

residential uses to the west and the natural constraints presented by the River Medway and proximity to the adjoining Burnham Marsh Nature Reserve.

A2.17 **Rocfort Road, Snodland** [18] (1.71 ha) This low density office development currently occupied by South East Water is located just off the A228 on Rocfort Road. Office units are largely of good quality. The site is close to local amenities and labour force and is approximately 0.5 km from Snodland train station. Car parking is available on site. This site could accommodate higher density development however; redevelopment may be constrained by adjoining residential uses and the site being located within a designated conservation area. It is also currently fully occupied and performs well for the purposes of serving local office needs.

A2.18 **Premises at Hays Road, Ham Hill, Snodland** [6] (17.44 ha) Situated at Ham Hill, to the south of Snodland, this site is occupied by a Tesco regional warehouse and distribution facility and associated office accommodation. There is also a works site at the North-West of the site. The B8 units are high quality and are purpose built. The site benefits from a dedicated access point onto the A228 and is located approximately 1km from Junction 4 of the M20. The site is approximately 2km from the nearest train station at Snodland, however it is close to the settlement and local services. Overall, this is an important employment site that scores well against planning criteria and benefits from a good strategic location, despite close proximity to residential areas to the north and east.

A2.19 **Forstal Road Industrial Area, Aylesford** [5] (21.14 ha) This large employment site is located to the east of Aylesford, just over 0.5km from Junction 6 of the M20. It is bisected by Forstal Road and bound by the River Medway to the south. There are a range of B class uses and quasi-retail uses on site, however, the majority of units comprise good quality warehousing, light industrial and some lower grade office units. There are multiple occupiers including a large Waitrose warehousing and distribution facility, Volvo service centre and the Deacon Trading Centre, with high occupancy rates across the site. It is approximately 1.5km from Aylesford train station but is served by local bus services and there is adequate on-site parking. In summary, this is a good quality employment site with excellent strategic connectivity.

A2.20 **Bradbourne, East Malling** [2] (0.89 ha) Bradbourne House, a Grade 1 listed building is situated north of East Malling. It provides small scale, high quality office accommodation in converted buildings on the former East Malling Estate. It is located 0.5km from the strategic road network, the A20 London Road between East Malling and Larkfield. Site access is constrained, and the local access routes can be congested at peak times. There is adequate parking available on site. Vacancy levels are low and this type of space meets the needs of small scale and start-up locally based companies and therefore plays an important role in meeting local employment needs.

A2.21 **Little Preston, Aylesford** [13] (2.57 ha) Located to the South East of Aylesford, Coldharbour depot is currently occupied by Gallagher's Contractors Ltd and Highways England for open storage and offices uses. It benefits from a location with unconstrained access directly onto Junction 5 of the M20, however, the site is poorly serviced in terms of public transport. The site is constrained by the rail line to the north and the M20 to the south. This is an attractive employment site owing to its excellent strategic location, and there is potential to accommodate more intensive development as and when redevelopment opportunities arise.

A2.22 **Hermitage Court** [7] (2.49 ha) Located on the B2246, this is a modern, high-quality development which comprises converted farm buildings and purpose-built offices, situated north of Barming. There are multiple occupiers and no vacant units available at the time of the assessment. The site is located approximately 1.5km from the A20 London Road and the M20, and less than 1km from Barming train station. The site has ample on-site parking and unconstrained access to local routes however, it is relatively isolated from local shops and services. Despite not having an employment use allocation this is a successful, well performing site that appears to be fulfilling an important role in the local market.

Area North of East and West Malling (Rural)

A2.23 This sub-area comprises four sites located in the Area North of East and West Malling (Rural). In total, these sites provide 3.2% (12.0 ha) of the total existing employment land assessed as part of this study.

A2.24 **Laker Road, Bridgewood** [9] (4.99 ha) Laker Road, located between the M2 and Rochester Airport forms part of a wider employment area, with the remainder of the industrial estate being located within the Medway Council administrative area. Located off the B2097, the site is less than 1km from the A229 which can be accessed via unconstrained local roads. The site accommodates a range of uses including B2/B8, light industrial and offices with a varying quality of units. There is no train station within walking distance of the site but there is a local bus service, and on-site parking is limited. Vacancy levels are low indicating that it is an attractive employment location. Overall, this is a high quality employment site that meets the employment floorspace needs of the northern part of the Borough.

A2.25 **Tower Garage, Wrotham Hill, Wrotham** [23] (0.90 ha) Tower Garage is located in a rural area, off the A20 London Road between West Kingsdown and Wrotham which links to the M20. Local access is unconstrained with free moving roads that avoid residential areas. In terms of public transport, it is served by a local bus route and onsite parking is relatively limited. There are a number of B and non-B class uses on site including light industrial and quasi-retail uses, mostly automotive-related activities. The quality of the stock is relatively poor and ageing, and some upgrading and renewal over time and potentially redevelopment in the longer term subject to the existing uses.

A2.26 **Winsor Works** [24] (1.57 ha) This site is located off the A20 London Road to the south-east of Addington. There is a mix of uses including light industrial, storage, and sui generis. The site provides relatively low-quality space that would benefit from upgrading. The strategic access and local access routes are good, although the site is remote from local shops and services and public transport is restricted to a local bus service. Overall, this is a relatively low-quality employment site. There is a small undeveloped area at the north of the site, however future redevelopment may be limited by incompatibility with adjoining residential properties and its Green Belt location.

A2.27 **Invicta Business Park, South of London Road** [8] (4.49 ha) This site, which consists of two separate plots, is located off the A20 London Road to the south east of Wrotham. The M20 runs north of the site and the M26 runs to the south. Plot one comprises low-density, small-scale offices and good quality, small scale light industrial and quasi retail/trade counter accommodation. Plot two is currently occupied by open storage and distribution uses. There is no train station within walking distance of the site but there is a local bus

service and on-site parking provision. Expansion or redevelopment of the site may be constrained as the site is located in the Green Belt and there are residential dwellings to the north of the site. Vacancy levels are low. In summary, this is a relatively good quality site which provides for a range of employment uses.

Malling Area Rural

A2.28 Malling Area Rural sub-area comprises of eight sites that are dispersed across the central part of the Borough, comprising approximately 22.5 ha of employment land. This constitutes approximately 6.1% of the Borough's total existing employment land.

A2.29 **North Station Approach, Borough Green** [15] (0.51 ha) Station Court office development is located within the settlement of Borough Green. It occupies a site adjacent to the train station and is close to local shops and services. The buildings are of relatively good quality and there is parking available on-site. Vacancy levels are low, indicating a strong demand for office space in close proximity to the town centre and train station. The strategic road network is accessed 0.5 km from the site, however local access routes run through the town centre which can be congested at peak times. In summary, this is a good quality office site within a town centre location, which is meeting local needs.

A2.30 **Bourne Enterprise Centre, Borough Green** [1] (1.02 ha) Bourne Enterprise Centre is a multiple occupier employment site, located within the settlement of Borough Green. It is located within the town centre and has adjoining residential uses. The reasonably good quality units accommodate small scale office, B2 and B8 uses and vacancy levels are low. Despite benefitting from good public transport links on account of its proximity to Borough Green train station, vehicular access to the site is constrained. It is less than 0.5km from the A25 Maidstone Road. Overall, this site performs well and appears to be meeting local employment needs. employment site.

A2.31 **Roughway Mill, Plaxtol** [19] (1.24 ha) This former mill is located between the small settlements of Roughway and Dunk's Green off Roughway Lane. The site provides two large light industrial/ warehouse units that are currently being redeveloped by Electra Polymers Ltd. There are also a number of smaller vacant and redundant units on-site, with scope for further redevelopment in the short term, however the site is located within the Green Belt. It is relatively isolated from local service centres and is not served by public transport, and approximately 3 km from the A227 strategic road network. Despite its relatively remote location and scoring poorly against the assessment criteria, the site is currently under redevelopment and is likely to provide modern employment floorspace, with scope for further redevelopment in the future.

A2.32 **The Alders, Mereworth** [21] (1.83 ha) This small industrial estate is situated in a rural location to the south of Mereworth. While some of the units on site are ageing, other units have been recently upgraded and now provide good quality light industrial, workshop type units and small scale warehousing. The site is well connected strategically with access onto both the A26 and the A228, however, it is not served by public transport. There is some vacancy indicating that the existing stock may no longer meet the market's requirements and could benefit from redevelopment or refurbishment to meet future needs.

A2.33 **Salt's Yard, Redwell Lane, Ightham** [20] (0.30 ha) This small site is located within a predominantly residential area off Redwell Lane, Ightham. There is a small, ageing

workshop on the site. The site has a relatively poor strategic location. Despite being located 0.5 km from the A25 Sevenoaks Road, connecting routes are narrow and congested. While this site is currently occupied and could accommodate more intensive development, adjoining residential land uses may act as a constraint. The access road would also require improvement prior to redevelopment. Overall, though this is an active employment site it scores relatively poorly against planning assessment criteria. This site is unlikely to be a candidate for redevelopment in the short term on account of the existing occupiers.

A2.34 **East of Tonbridge Road, Little Mill, East Peckham** [4] (3.06 ha) Located in Little Mill, East Peckham, this site primarily comprises of a purpose built, manufacturing plant, storage space and supporting offices. There are some residential units to the north and west, and the site is bordered to the north by the River Bourne. It is currently occupied by Muraspec Decorative Solutions. There is also a standalone house on-site that has been converted to offices. This property appears to be mostly vacant which could be attributed to lower market demand for offices in this rural location. It is approximately 3 km from the A228 and access routes are narrow and run through residential areas. In terms of public transport, the site is located on a local bus route. Though this site scores poorly against the assessment criteria, it is fully operational and appears to be meeting rural needs at some level.

A2.35 **Works South of Crickett's Farm** [25] (7.86 ha) This site is located to the west of Borough Green and is designated as a major developed site in the Green Belt. It comprises a purpose-built manufacturing plant, open storage and associated site office that is operated by H+H Celcon Ltd. It has a dedicated access road off the A25 to accommodate large vehicles serving the site. Despite its proximity to the settlement and edge of centre location, access to local services, public transport and the local labour force is restricted by the train line to the south, though on-site parking is provided. The adjoining land is mainly open countryside, however there are some residential units to the south east of the site adjacent to the rail line. In summary, this is a fully occupied employment site meeting local needs.

A2.36 **Platt Industrial Estate** [16] (6.71 ha) Platt Industrial Estate is located between Borough Green and Wrotham Heath, and comprises of well maintained, relatively good quality light industrial and B2/B8 units. There is limited scope to intensify the site within the current boundary, however access would require upgrading as part of any redevelopment. Current access road is narrow and crosses a bridge on Maidstone Road over the rail line, which isolates the site from nearby settlements. The A25 is accessed via Maidstone Road and in terms of public transport, the site is approximately 1.5 km from Borough Green train station and is served by a local bus service, with car parking also provided on site. This is a reasonable employment site that offers a variety of employment floorspace types to meet local requirements.

Tonbridge Urban

A2.37 Tonbridge Urban is located to the south of the borough, comprising five employment sites/areas amounting to 62.8 ha of employment land equivalent to 17% of the borough total. A number of sites fall within the Tonbridge Central Area Action Plan Area (AAP).

A2.38 **Drayton Road, Tonbridge** [3] (2.01 ha) This site is located just south of Tonbridge town centre and comprises ageing, small scale, light industrial units and some small offices. Though it is located close to A2014, local access routes are constrained, congested and run

through a dense residential area. A number of dwellings share the on-site circulation routes which are poorly maintained. Public transport provision is limited to a local bus route and there is limited on-site parking. Despite these constraints, vacancy levels are low indicating this type space fulfils a particular function in the market. Barriers to delivery in the short-term could include multiple occupiers, pressure from non-B class uses (particularly residential) and the potential need for remediation works prior to redevelopment.

A2.39 **Land West of Woodgate Way** [11] (1.97 ha) The existing site is occupied by a Jaguar Land Rover dealership, and is located to the southeast of Tonbridge. It benefits from unrestricted access onto the A26 and local access routes are good, however public transport provision in the area is limited. It is also relatively isolated from local shops and services. The boundary of this site has been adjusted to exclude the recently developed residential units and primary school to the north. A residential care home is located to the west. Overall, this is a strategically-located employment site which meets local market needs, despite the recent reduction in the scale of the site reflecting the recent residential development.

A2.40 **Tonbridge Industrial Estate** [22] (25.77 ha) Tonbridge Industrial Estate benefits from a town centre location. It is a multiple occupier site that comprises of a range of employment uses including light industrial, B2/B8, sui generis and quasi-retail. The quality and type of units vary from small scale warehousing and light industrial units to trade counter units. It is bounded to the west by the A26, land to the east of the site is designated Green Belt and the River Medway divides the site. The southern part of the site is within walking distance of Tonbridge rail station while the north of the site is relatively more isolated. On account of its central location, local access routes can be congested at peak times. Vacancy levels are currently low. An undeveloped triangular parcel to the north of the estate (adjacent to Postern Lane) previously had planning permission but has remained undeveloped. In summary, this is a significant industrial area that performs well and has a high degree of market attractiveness. There does appear to be some risk from development of non-B uses, and there is limited scope for redevelopment in the short term.

A2.41 **Land within Tonbridge Industrial Estate** [12] (18.08 ha) This site forms part of the wider Tonbridge Industrial Estate (see above), however due to its town centre location it falls within the Tonbridge Central AAP area. Development is relatively low density and it is occupied by light industrial and B2/B8 units and some sui generis uses. There has been some loss of space to alternative land uses including quasi-retail. It is bound to the east by the A26 and is adjacent to Tonbridge rail station, and there is adequate onsite parking. Local access routes can be congested at peak times. Occupancy is generally high across the site, with some potential vacancy amongst the smaller units. There is limited room for expansion owing to its urban location. In summary, this site provides a large proportion of Tonbridge's employment space, and as such existing B-class space on-site should be protected from competing land uses.

A2.42 **Tonbridge Town Centre** [26] (15 ha) This area encompasses the majority of Tonbridge town centre from the rail station in the south towards the River Medway in the north. The location benefits from good local strategic and local accessibility, sitting in close proximity to the A26 to the East and A21 to the South. There are some residential areas in close proximity, however the town centre is largely self-contained as a result of its position between the river and rail line. The site is fairly large, and occupied by mostly town centre

uses including offices, retail, cafes and restaurants, while Tonbridge Industrial Estate sits immediately east of the town centre area. Occupancy rates are fairly high across the centre, however some vacant units are visible and the quality of units in terms of age and quality is varied. The town centre is fairly high density and largely constrained by existing levels of development, however there are some opportunities for redevelopment or intensification of older and lower quality vacant units.

Kings Hill

A2.43 **Kings Hill** [27] (47.2 ha) is a large office district comprising a significant section of the Kings Hill urban area, west of Maidstone and north east of Tonbridge. The site benefits from good local and strategic accessibility via the A228, heading north towards the M20. The site sits in close proximity to residential areas of Kings Hill to the south and east, however the employment areas of the site are largely self-contained and mostly compatible with residential uses, consisting of mostly office and some retail units. Occupancy rates across the site appear to be high, with the majority of office units being fairly modern and of good quality. Overall, the site has good access and is situated in a highly attractive office location, however opportunities for further office development are limited at Kings Hill, with the majority of the site being fully developed and operational.

Appendix 3 Potential Sites Audit

A3.1 This Appendix summarises key outputs from an assessment of potential development sites submitted as part of the Council's 'call for sites' process. This reviewed the characteristics and quality of sites and their suitability to meet future employment development needs.

A3.2 It is presented in two parts; firstly, an assessment undertaken in 2023 of sites put forward at that time, and secondly an assessment undertaken in 2025 of sites submitted through a more recent call for sites exercise.

Call for sites 2023

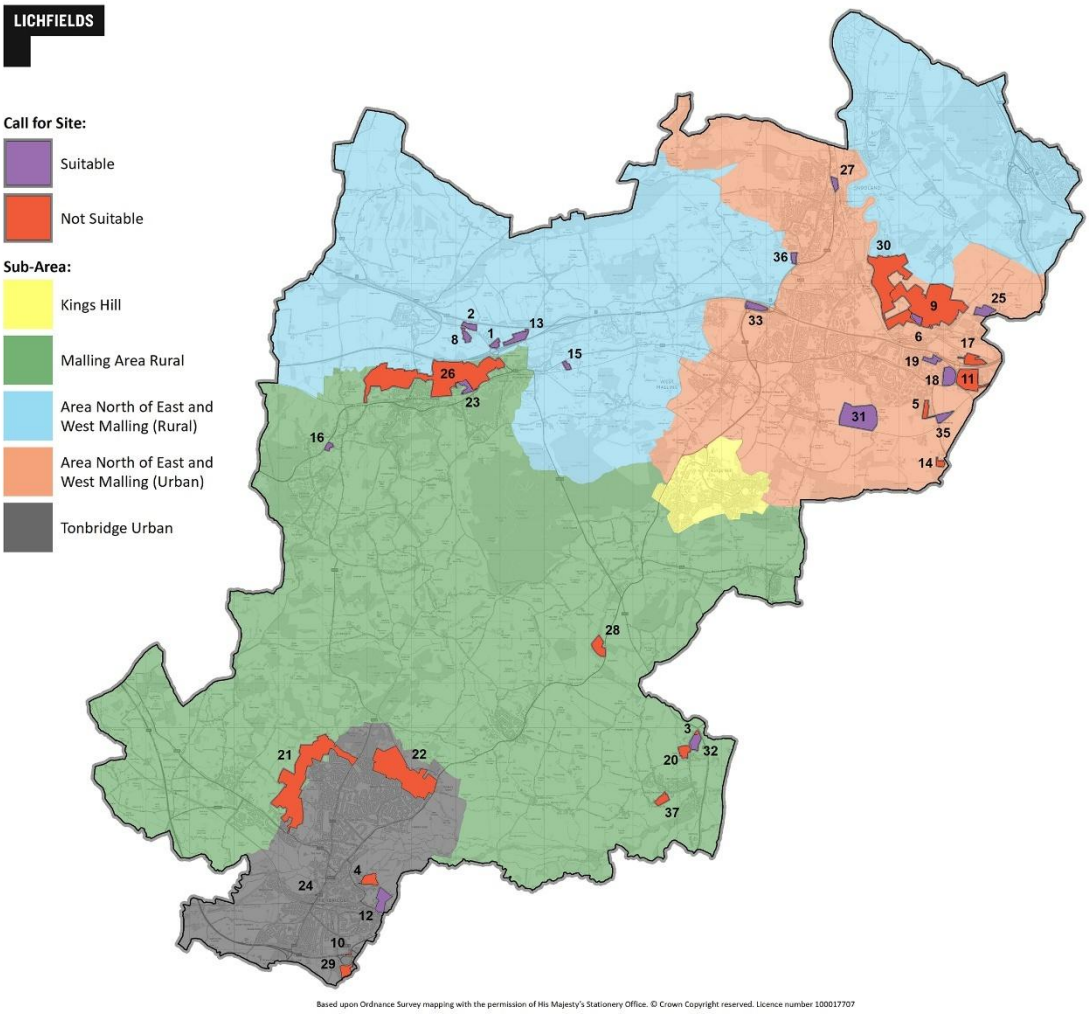
A3.3 A total of 35 'call for sites' were submitted to the Council as potential areas for future employment development (or mixed use including an element of employment) across the borough. The suitability of these sites for future development of employment land has been evaluated based on several assessment criteria, including:

- Strategic and local accessibility;
- Proximity to urban areas and existing established employment locations;
- Compatibility with surrounding uses; and
- Site characteristics and development constraints.

A3.4 It should be noted that the above criteria do not provide a comprehensive assessment of a site's suitability for future development, and that recommendations are based on broad assumptions taking into account conditions associated with each site at the time of assessment. A site's suitability for future provision of employment land may change based on various external factors including surrounding infrastructure developments, relationship to other land uses and changes to specific development constraints associated with each site. The Council is also undertaking site-specific analysis of the promoted sites though its Land Availability Assessment, which can take into consideration the results of this assessment to determine each site's suitability for future allocation.

A3.5 Figure A3.1 indicates call for sites locations across the borough as identified by Lichfields as either suitable (coloured in purple) or unsuitable (coloured in red) for either employment or mixed land uses.

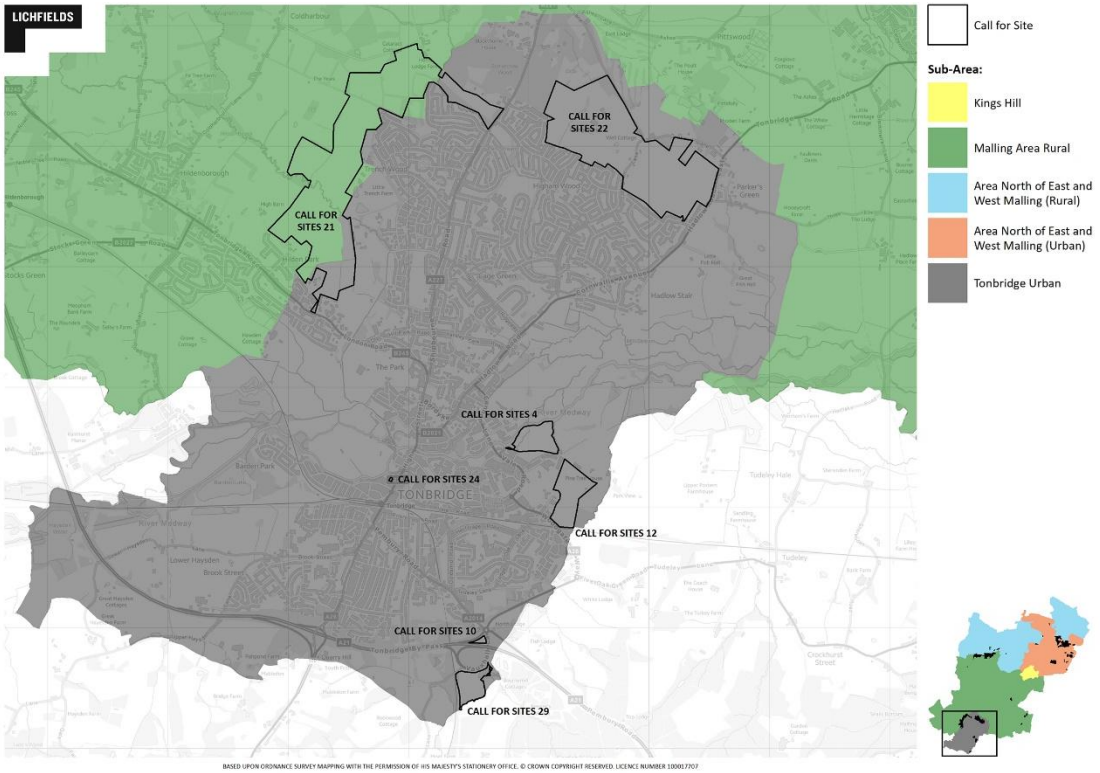
Figure A3.1 Call for site submissions across Tonbridge & Malling (2023)



Source: Tonbridge & Malling Borough Council | Lichfields analysis

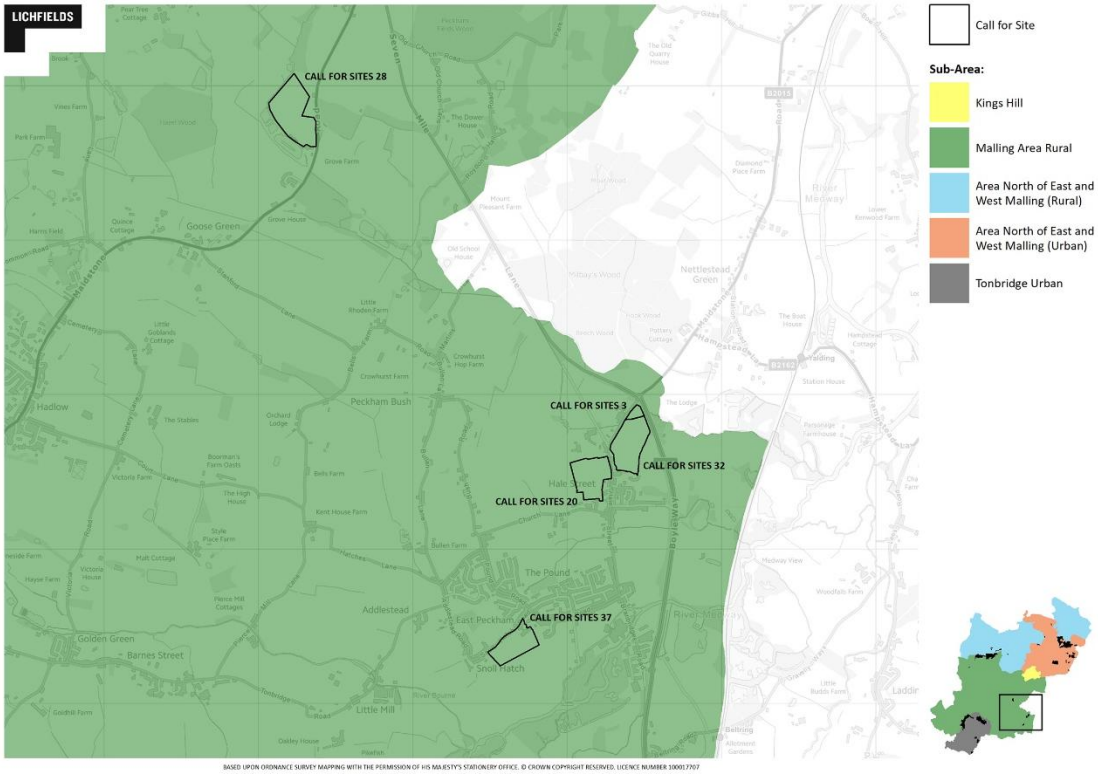
A3.6 Figures A3.2 to A3.5 inclusive provide a more detailed spatial context for the call for sites submissions across the borough.

Figure A3.2 Spatial context of call for sites (1)



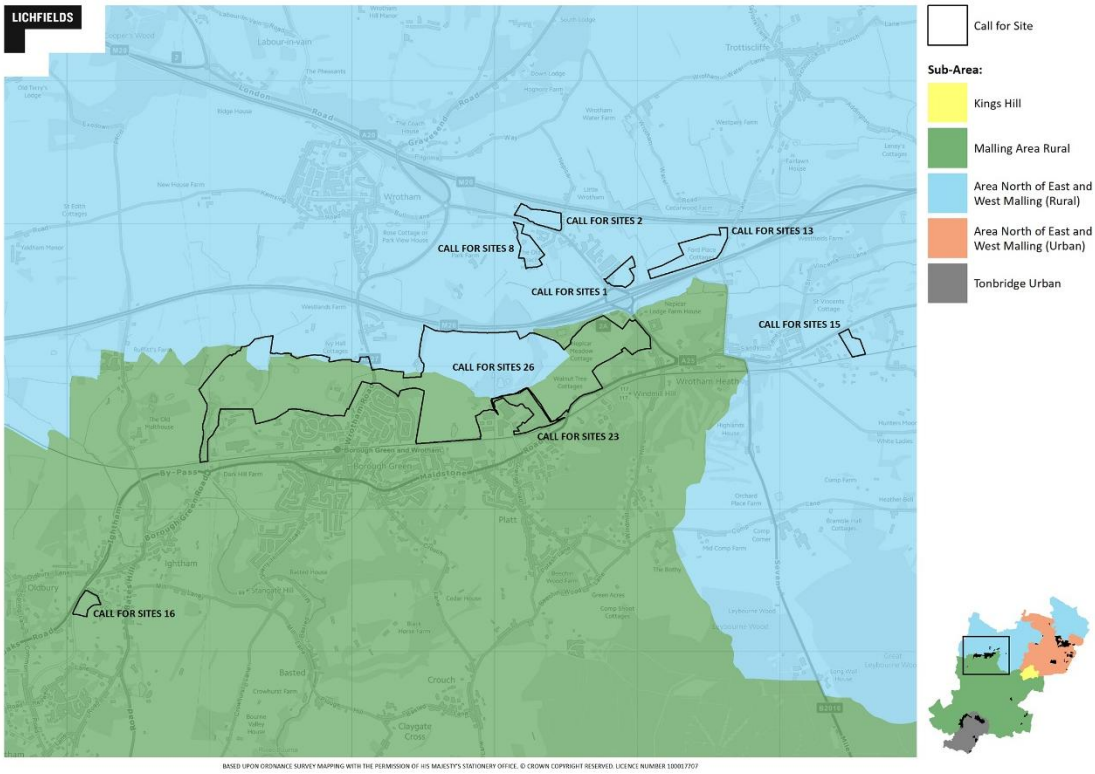
Source: Tonbridge & Malling Borough Council | Lichfields analysis

Figure A3.3 Spatial context of call for sites (2)



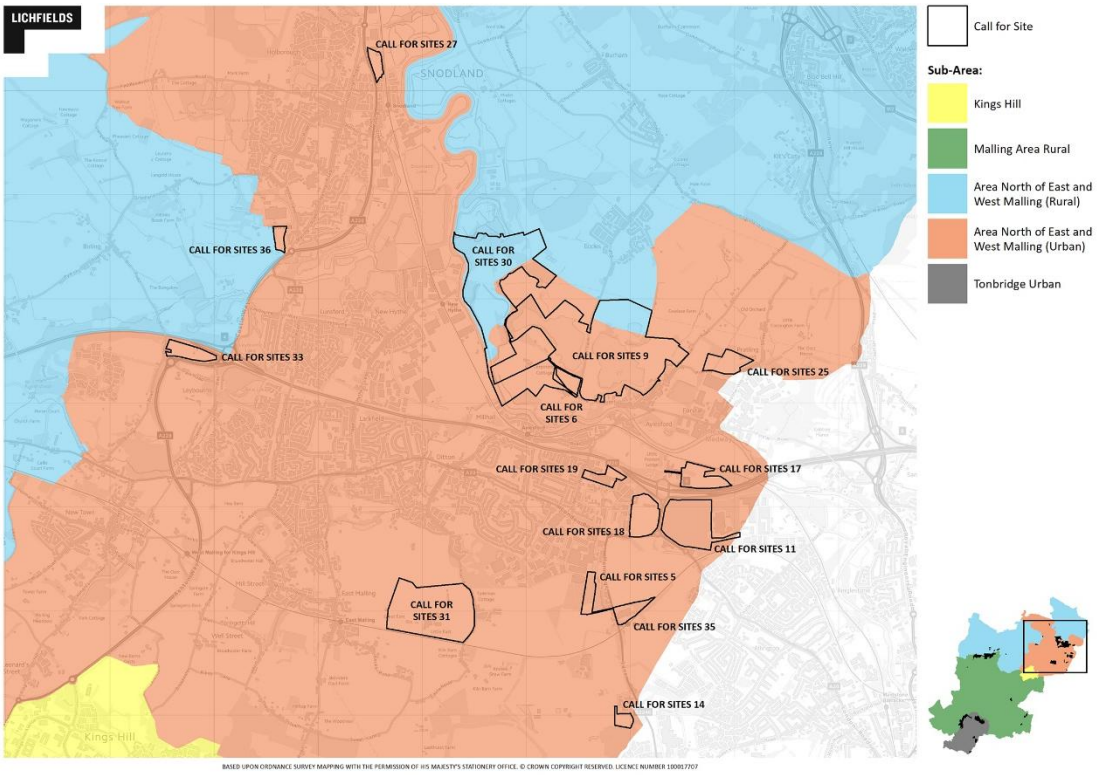
Source: Tonbridge & Malling Borough Council | Lichfields analysis

Figure A3.4 Spatial context of call for sites (3)



Source: Tonbridge & Malling Borough Council | Lichfields analysis

Figure A3.5 Spatial context of call for sites (4)



Source: Tonbridge & Malling Borough Council | Lichfields analysis

A3.7 Of the 35 sites considered, six are assessed as potentially suitable for development or intensification of employment land. These sites are listed in Table A3.1 and comprise a total of approximately 37.7 ha of land.

Table A3.1 Call for sites assessed as suitable for employment uses

Site Ref	Size (ha)	Comments
2	3.22	East of Wrotham, this site sits just north of Invicta Business Park with good strategic access via M26 to the south and M20 the north. This site is currently undeveloped and is located within the Green Belt.
8	3.18	This site is adjacent to Invicta Business Park and currently used for open storage, high potential for intensification of employment land. Good strategic access via the M26 to the south and M20 to the north. This site is located within the Green Belt.
12	10.79	North east of Woodgate Way and south of Postern Lane, Tonbridge. This site is currently in agricultural use and is adjacent to the existing Tonbridge industrial area. The Southern boundary of the site is bordered by the A26 and a rail line. This site is located within the Green Belt.
18	9.75	This site is north east of Quarry Wood industrial area and sits between the M20 to the north and A20 to the south. The majority of the site is undeveloped but there are residential units and a healthcare facility at the north of the site, with further residential areas adjacent to the western boundary of the site. This site is not located within the Green Belt.
25	6.95	East of Aylesford, this site sits to the north of the existing Forstal Road industrial area. This site is currently undeveloped. Local access via Pratling Street may require improvement however the site has good strategic access via the M20 to the south and A229 to the east. This site is not located within the Green Belt.
27	2.80	This site is located just south of an existing industrial area in the north of Snodland. The site is currently undeveloped and has direct access onto the A228. This site is not located within the Green Belt.

Source: Lichfields analysis

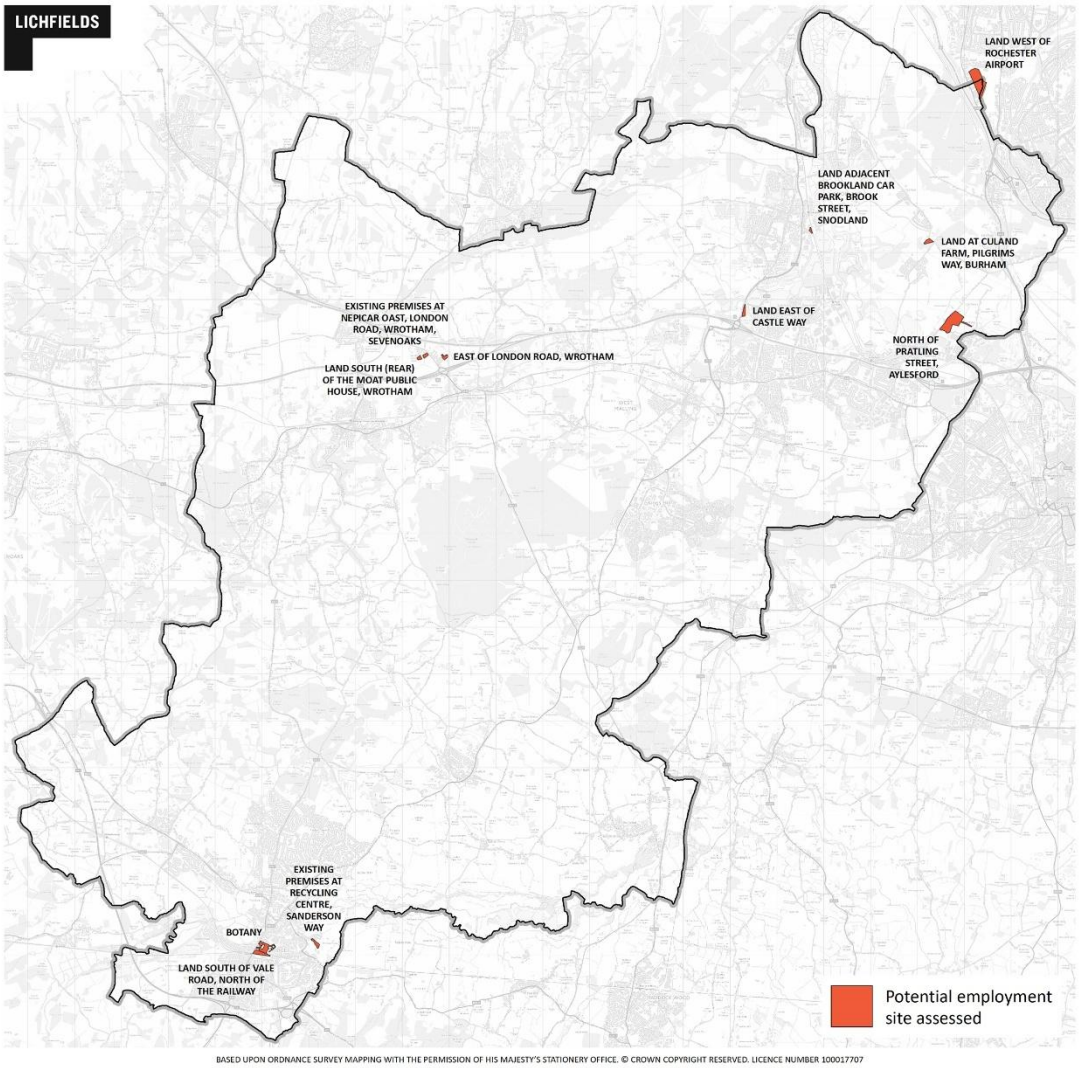
Call for sites 2025

A3.8 A further 11 potential employment sites have also been considered which were submitted to the Council through a more recent call for sites exercise in early 2025. The suitability of these sites has been evaluated based on the following assessment criteria:

- Strategic and local accessibility;
- Proximity to urban areas and existing established employment locations;
- Compatibility with surrounding land uses;
- Site characteristics and development constraints; and
- Market attractiveness (of sites which are developed/in existing use).

A3.9 The locations of these sites are shown in Figures A3.6 to A3.10 inclusive.

Figure A3.6 Call for site submissions across Tonbridge & Malling (2025)



Source: Lichfields analysis

Figure A3.7 Employment sites – Tonbridge

Source: Lichfields analysis

Figure A3.8 Employment sites – Wrotham

Source: Lichfields analysis

Figure A3.9 Employment sites – Aylesford & Snodland

Source: Lichfields analysis

Figure A3.10 Employment sites – Rochester

Source: Lichfields analysis

A3.10 A summary of each of the assessed sites is provided in Table A3.2 alongside commentary on their suitability for development or intensification of employment land, and hence their potential contribution towards the future employment land supply across the borough.

A3.11 In total these sites comprise 32.3 ha of land, of which the majority are considered to be suitable for accommodating future employment uses either through intensification and/or (re)development. Together, they could provide capacity for at least 28 ha of employment land.

Table A3.2 Site assessment summary table

Site Ref	Size (ha)	Comments
1	10.9	**North of Pratling Street, Aylesford:** Large undeveloped site located north of Aylesford, currently in agricultural use. The site benefits from good strategic and local accessibility. Some small scale residential uses to the west and existing Forstal Road industrial estate to the south. The site is potentially suitable for B8 and/or light industrial development given its close proximity to an existing industrial location.
2	1.0	**Land east of Castle Way:** Small site located west of New Hythe, in use as a road construction depot. Benefits from very good strategic and local access, located just north of M20 junction. Constrained by Leybourne Lakes to the east. Potentially suitable for small scale B8 or light industrial uses.
3	0.6	**Existing premises at Nepicar Oast, London Road, Wrotham, Sevenoaks:** Small, mostly undeveloped site located east of Wrotham, very good local and strategic accessibility. Partially occupied by a florist premises and associated parking. Some small scale residential to the east along London Road and adjacent to the Moat pub to the north. Close proximity to existing Invicta Business Park. Potentially suitable for small scale office/light industrial development.
4	0.3	**Land Adjacent Brookland Car Park, Brook Street, Snodland:** Small car park located adjacent to existing industrial area east of Snodland, constrained site with limited local accessibility. Bordered by rail line to the east and wooded area to the south. Underutilised site, potential for small scale light industrial/B8 development.
5	1.1	**Land At Culand Farm, Pilgrims Way, Burham:** Small rural site located north of Aylesford currently occupied by agricultural buildings, with good strategic and local accessibility. Some residential units to the north of the site. Limited opportunity for intensification and likely unsuitable for development of employment uses.
6	0.5	**Land South (Rear) of the Moat Public House, Wrotham:** Small undeveloped parcel located east of Wrotham, adjacent to Invicta Business Park with some small scale residential to the north. Good strategic access and close proximity to A20 but no existing vehicle access. Potential southern extension of existing business park, including mixed light industrial/small scale B8 uses.
7	3.4	**Botany:** Medium sized site in Tonbridge town centre occupied by various mixed uses. High density and constrained town centre location, some residential units to the north of site across the River Medway. Tonbridge high street borders site to the west. Good strategic access but congested local access due to location. Potential for redevelopment as part of wider town centre regeneration to include a variety of mixed town centre and employment uses.
8	1.9	**Land South of Vale Road, North of The Railway, Tonbridge:** Medium sized town centre site occupied by rail depot and large car park. Good strategic access but congested local access due to town centre location. Bordered by rail line to the south and in close proximity to Tonbridge station. High potential for redevelopment as part of the East of High Street regeneration proposals.
9	0.8	**East of London Road, Wrotham:** Small undeveloped site east of Wrotham comprising open field and scrub. Good strategic accessibility and close to A20 but no existing access to site. Some residential units to the west and borders existing Nepicar Park estate to the southwest. Suitable for small scale B8 development as an extension of the existing commercial premises at Nepicar Park.
10	1.0	**Existing premises at recycling centre (Canham Aggregates), Sanderson Way, Tonbridge:** Small underutilised site located on the eastern side of the Tonbridge industrial area. Currently occupied by aggregate recycling centre and bordered by water treatment facility to the south.

		Good strategic and local accessibility. High potential for intensification and suitable for small scale industrial/B8 development due to location within established industrial area.
11	10.8	**Land West of Rochester Airport, Rochester:** Large undeveloped site south which comprises part of Innovation park, Medway. Located within the existing industrial area west of Rochester Airport. Good local and strategic access and no residential in close proximity. High potential for significant future development within an established industrial location, which could include a variety of larger scale B8, industrial and light industrial uses due to site size.

Source: Lichfields analysis

Birmingham
0121 713 1530
birmingham@lichfields.uk

Bristol
0117 403 1980
bristol@lichfields.uk

Cardiff
029 2043 5880
cardiff@lichfields.uk

Edinburgh
0131 285 0670
edinburgh@lichfields.uk

Leeds
0113 397 1397
leeds@lichfields.uk

London
020 7837 4477
london@lichfields.uk

Manchester
0161 837 6130
manchester@lichfields.uk

Newcastle
0191 261 5685
newcastle@lichfields.uk

Thames Valley
0118 334 1920
thamesvalley@lichfields.uk

@LichfieldsUK

lichfields.uk