

KEY FINDINGS FROM WORKSPACE SURVEY

September 2017

The challenges of the shortage and inadequacy of available commercial workspace were highlighted in the Essex Economic Commission's recently published working paper *Addressing the Scarcity of Commercial Workspace in Greater Essex*. As a follow up to that paper, the Commission has undertaken a survey of local businesses to find out their experience of looking for suitable workspace. This was supported and facilitated by Barclays Bank, which circulated the survey to some of its corporate clients across Essex.

The 17 businesses responding to the survey were from a range of sectors. Most firms replying were looking for some form of industrial space, particularly manufacturing and logistics, in conjunction with office space in a few cases. Of the 14 that identified their location, seven were in South Essex, four in Essex Haven Gateway and three in Heart of Essex. All firms responding, with the exception of one that was smaller, were medium-sized firms with between 10 and 100 employees.

Key findings from the 17 businesses responding to the survey include:

- **Successful in finding new premises:** Five had been successful at finding new premises, but for three of these a new site was only secured after at least two years of looking for a suitable site. One other firm had managed to secure expansion on its existing site after failing to identify suitable premises elsewhere. Included in these five were the three firms to respond from Heart of Essex as well as two from Haven Gateway.
- **Unsuccessful in finding new premises:** Eight firms, about half those reporting, reported that they had been unsuccessful in finding new premises anywhere in their local area. Six of these firms were based in South Essex and two were in Haven Gateway. All but one of the six South Essex firms were looking for industrial space of some kind. Key points made around lack of success were existing units being developed into housing; absence of any available sites locally; or unsuitability of those that were available. Lack of suitability was attributed to wrong location, inadequate parking, and lack of practicality of space available on ground floor.
- **Not looking at the moment:** Four firms were not looking for new space currently, of which one cited longer term plans to move in three to five years.

Firms reporting lack of success in finding new premises are perhaps more likely to articulate their concerns. Nearly half of firms in this survey were unsuccessful. In the Essex Business Survey of 1000 firms in 2014, 17% reported that lack of available premises or land was an obstacle to business growth or success.

Missed opportunity to increase jobs In order to assess the potential for growing the economy and workforce, it is assumed that 17% of medium-sized firms across Essex are looking to expand their premises and, if they could do so, would then expand their workforce by 20% over a period of time. Applying this to the structure of medium-sized businesses in Greater Essex would result in around 10,000 new jobs being created amongst the 11,000 firms in Greater Essex with between 10 and 100 employees.

Essex Economic Commission									
Workspace survey responses from businesses August 2017									
Sector	Number of staff	Type of space required	Quantity space required ¹ sq.ft.	Success?	Location	Comment	Summary of outcome		
B2b/marketing	Less than 10	Office	1000	Yes, after 3 years	Building became available on same industrial estate	Limited availability. Those available are in poor condition. Landlords not prepared to invest as they know they can be rented as they are.	SUCCESSFUL		
Printing	25-49	Manufacturing	20,000	Yes, after 2 years	Building found locally but required extensive refurbishment	Most commercial buildings owned by pension companies and are managed by agents who are incredibly difficult to deal with	SUCCESSFUL		
Construction/Sub-contracting	50-99	Office/Manufacturing	91,500	Yes	Building found in locality	Difficult to find good balance between office and warehouse space	SUCCESSFUL		
Drinks manufacturing	10-24	Manufacturing	Not stated	Yes	Purchased adjacent properties for expansion	We purchased more workspace two years ago when it became available adjacent to our existing building. We now have more space than we require and are looking for a short term tenant. Also bought a property on the high street that now our Tap Room.	SUCCESSFUL		
Manufacturing	50-99	Manufacturing	10,000	Yes	Expansion on existing site	Expansion on existing site, with no success in finding alternative sites elsewhere. Severe difficulties with access to industrial estate, making this a poor location locally now	SEMI-SUCCESSFUL		
Veterinary	50-99	Retail, veterinary hospital	16,000	None, after 18 months	---	Many failed attempts to find commercial property as many existing units are being developed into housing	NO SUCCESS		
Containers	10-24	Manufactg, logistics	87,000	None	---	Need to move due to regeneration programme in area	NO SUCCESS		
Chartered accountants	25-49	Office	3-5,000	None	---	Little suitable sized space, inappropriate location, no parking facilities, very high rent & service charges. Too much founded on residential development, with retail units to ground floor not practicable for medium sized professional practice.	NO SUCCESS		
Industrial cleaning	25-49	Other industrial	10,000	None	---	Not much around for the size we require within a 10 mile radius	NO SUCCESS		
Logistics	100-500	Logistics	120-150,000	None	---	Currently operating locally out of multiple sites which is inefficient. Very hard to find the right size at the right price	NO SUCCESS		
Joinery manufacturing	25-49	Manufacturing, logistics	10-20,000	None so far	---	Will need to move to 25,000 sq.ft. factory in next 5 years. Until move happens it will affect profitability, growth & investment	NO SUCCESS		
General haulage	25-49	Logistics, office	22,000-44,000	None	---	Nothing locally available in local or surrounding area	NO SUCCESS		
Haulage	25-49	Other industrial: yard	87,000	None yet	---	Looking to buy as renting now	NO SUCCESS		
Installation of glass	50-99	Industrial unit with offices	To be determined	Not looking at the moment	---	Would like to replace rented unit with owned space in 3-5 year timeframe	NOT ACTIVELY LOOKING		
Finance	25-49	---	---	---	---	Not looking for new space at the moment	NOT ACTIVELY LOOKING		
Motor trade	10-24	Retail unit	---	---	---	Considering renting space in future to a small business: not looking at the moment	NOT ACTIVELY LOOKING		
Manufacture of agricultural equipment	10-24	---	---	---	---	No expansion plans over next 24 months	NOT ACTIVELY LOOKING		