



Review of Business & Industrial Land Supply in East Ayrshire

February 2021

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For and on behalf of Avison Young (UK) Limited

1. Executive Summary

- 1.1 This report provides an assessment of the business and industrial land supply within East Ayrshire as allocated for the East Ayrshire Local Development Plan (EALDP) and provides key findings and recommendations for the developments of subsequent development plans.
- 1.2 Methods of assessment include review of all allocated sites to assess their suitability for business and industrial use, a review of the commercial property market in East Ayrshire, a public consultation exercise and a review of planning applications and commercial property transactions within East Ayrshire. Statistical data was analysed for East Ayrshire and comparable settlements in Scotland to assess how the area performs in a wider context.
- 1.3 This exercise has found that the way in which sites are allocated for development requires review in order to better identify what land is actually vacant and viable for commercial development.
- 1.4 Kilmarnock is the focus of both existing transactional activity and the majority of future development and this is unlikely to change due to the settlement's connectivity and population.
- 1.5 The majority of commercial development projects are being funded by the public sector. These projects will be monitored with interest by commercial investors and developers and it is hoped that their success will stimulate private sector interest in East Ayrshire.
- 1.6 The transactional market is subdued compared to other comparator Council areas in Scotland.
- 1.7 There is a poor supply of modern speculative industrial and office facilities in the council area compared to other comparator council areas in Scotland.
- 1.8 Provision of digital infrastructure to vacant business and industrial land within East Ayrshire is an important priority.
- 1.9 Recommendations include:
 - Improve the methods of identification for allocated sites to better portray the actual availability status of sites
 - Consider increasing the provision of modern, well connected business and industrial accommodation for small/local operators
 - Ensure that infrastructure is a key consideration in future development plans and policies
 - The Council should explore the merits of recycling funds tied up in existing assets to boost prime vacant sites or new build small workshops for which there appears to be unmet demand
 - Consider how East Ayrshire can take advantage of emerging property market trends to attract the private sector and inward investment

2. Introduction

- 2.1 Avison Young was appointed in August 2020 to undertake a review of the land supply for Business and Industry in East Ayrshire.
- 2.2 The review is required to inform the preparation of the Second East Ayrshire Local Development Plan (LDP2) which is expected to be adopted in 2023.

2.3 In April 2020, the United Kingdom entered a nationwide lockdown due to the outbreak of the Covid-19 Pandemic worldwide. These measures saw compulsory closure of non-essential retail, offices and the pause of manufacturing and other industries. Whilst there has been some easing of restrictions at the time of writing there are a number of strong economic headwinds predicted namely a) a significant increase in the level of unemployment as various Government support schemes come to an end b) an increase in taxation to pay for the aforesaid support schemes and c) the prospect of a No Deal Brexit. This combination of factors creates material uncertainty and makes future demand forecasting especially difficult at this time.

2.4 The report structure following the introduction will be as follows:

Chapter 3: Economic and Property Market Context

Chapter 4: Supply of Employment Land and Business Space

Chapter 5: Consultations

Chapter 6: Future Forecast Demand

Chapter 7: Benchmarking Against Other Local Authorities

Chapter 8: Key Findings and Recommendations

2.5 This review will consider how effective the existing, allocated business and industry land within the initial East Ayrshire Local Development Plan (LDP1) has been in meeting the requirements and demands of occupiers and developers.

2.6 The review will also identify where there are opportunities for alternative land use, taking into consideration where development activity has taken place and if it has been on land allocated within LDP1.

2.7 At the time of writing, LDP2 must conform to Scottish Planning Policy (SPP) 2014 and categorise development sites by their availability whether they are: immediately available, will be available within five years or are subject to major constraint. The assessment of the sites within this review will include identifying which SPP designation the allocated sites fall into.

3. Economic and Property Market Context

Economic Overviews

3.1 This section identifies the relevant national and local economic context that will inform the review.

United Kingdom

3.2 The Covid-19 virus outbreak has had an unprecedented impact on the United Kingdom's economy with a nationwide lockdown taking place on the 23rd March 2020 and subsequent localised lockdowns taking place across the four nations. As a result of the pandemic, the country entered the first recession (two

consecutive quarters of negative growth) since 2009 (BBC, August 2020). Q3 saw the end to recession with the fastest, three-month growth on record however, the UK's economy has not fully recovered and is 9.7% smaller than before the start of the pandemic (BBC, November 2020).

- 3.3 The Bank of England (BoE) in August 2020 projected that the UK's economy would suffer a greater impact than other developed countries with an expected fall in GDP of 9.5% compared to 8% for the Eurozone and 5.75% for the United States. However, this figure is an improvement on their May 2020 prediction of a 14% drop (Financial Times, August 2020).
- 3.4 The national unemployment rate has risen sharply in 2020 predominately as a result of the Covid-19 Pandemic. HM Treasury's July 2020 UK Economy Forecast predicts an increase of 8% in national unemployment levels. The BoE predicts an unemployment peak at 7.75% however, warns that it will likely continue well into 2021 (BBC, November 2020).
- 3.5 Lockdown measures have impacted a number of UK retailers with store closures causing a decline in an already unstable market. This decline has, in turn, impacted employment with large UK retailers such as John Lewis, Boots and Marks & Spencer's announcing major job cuts across their businesses.
- 3.6 The introduction of the Coronavirus Job Retention Scheme by the UK Government in April 2020 has had a positive impact on unemployment levels, originally due to end in October 2020 but now extended to March 2021. As the scheme is still ongoing, it is still unknown if it will have a positive long-term effect on unemployment or if it has simply delayed redundancies with many firms entering employee consultations and undertaking redundancies regardless. Chancellor Rishi Sunak predicted in his November Spending Review that UK unemployment would reach 2.6 million by mid-2021 (BBC, November 2020).
- 3.7 The pandemic and lockdown measures have impacted the operations of many business sectors with mandatory office closures seeing the fast adoption of home/remote working. The Industrial and Logistics sectors have also had to react to an increased consumer demand for home delivery as well as adapt their operations to meet increased hygiene and social distancing measures (Avison Young, 2020).
- 3.8 Economic recovery will depend on the ability of the country to resume day-to-day activities. Initial easing of lockdowns allowed some businesses to resume operations however, the introduction of local restrictions has created unease as there is the potential that they may be tightened at short notice forcing businesses to close. This creates uncertainty for the Business sector as to when a return to "normal" working practice can take place (Avison Young, 2020).
- 3.9 In November 2020, news of successful Covid-19 vaccine trials by American pharmaceutical company Pfizer and another in the UK by Oxford University in collaboration with AstraZeneca. The UK Government has pre-ordered 100 million doses of the Oxford Vaccine (BBC, November 2020) and it is hoped that widespread vaccination will take place in early 2021. If successful, the rollout of vaccines could see a return to 'normal life' however, the BoE's policymaker Michael Saunders warned of economic "hangovers"

from the pandemic in areas such as the labour market and corporate debt that will affect the economy regardless of a vaccine (The Guardian, 2020).

Scotland

- 3.10 Scotland's GDP experienced a sharp drop of 19.5% in April, likely as a reaction to the Covid-19 Pandemic and subsequent national lockdown measures. The Scottish economy subsequently grew for the fourth consecutive month in August, recovering around 60% of the output lost during the falls experienced at the peak of the pandemic in March and April 2020 (Scottish Government Economic Brief, October 2020).
- 3.11 Recovery has varied sector to sector with the Accommodation and Food Services sectors most significantly affected with output 31% below their February levels, this sector has been most impacted by lockdown measures and tier restrictions and therefore the fall in output is to be expected. Construction was 9% down and the Services sector 10% down. The Financial and Insurance sector was only down 3% on its February output level (Scottish Government Economic Brief, October 2020).
- 3.12 The Scottish unemployment rate rose to 4.5% in August, remaining unchanged into Q3 2020 whilst the employment level rose by 15,000 to 73.9% (Scottish Government, October 2020). It was noted by the Scottish Government in their October Economic Brief that 242,600 members of the Scottish workforce were on full or part-time furlough at the end of August.
- 3.13 Scotland's unemployment claimant count has continually risen in 2020, with a 0.7% rise in September taking the total to 224,200 claimants with the current claimant count rate at 8% in Scotland. The claimant count has risen significantly since the beginning of 2020, more than doubling with a 101% increase (112,800) (Scottish Government, October 2020).
- 3.14 The Royal Bank of Scotland's Purchasing Managers Index has shown an increase in business activity on Scotland for the second consecutive month in September 2020 indicating that activity is beginning to stabilise after reaching a low point in April at the height of the nationwide lockdown measures (Scottish government, August 2020).
- 3.15 As a result of the lockdown measures, consumer sentiment fell sharply reflecting weak economic expectations and a fall in household incomes. The Scottish Retail Consortium reported a significant decrease in retail sales in April of -40.3%, easing to -6% in September (Scottish Government, October 2020). These figures can be attributed to a fall in non-food retail sales as lockdown measures forced the closure of all but essential retail stores.
- 3.16 Although Scotland's Economic outlook has stabilised in recent months, it remains subdued and there is significant uncertainty surrounding the Covid-19 Pandemic. The Covid-19 local protection levels are updated regularly, with a Level 4 lockdown imposed on many areas of Scotland including Glasgow in November 2020 with the Scottish Government warning more will occur if cases rise above an acceptable level. The difference in the lockdown restrictions between Scotland and the other UK nations may see some differences in economic performance.

East Ayrshire

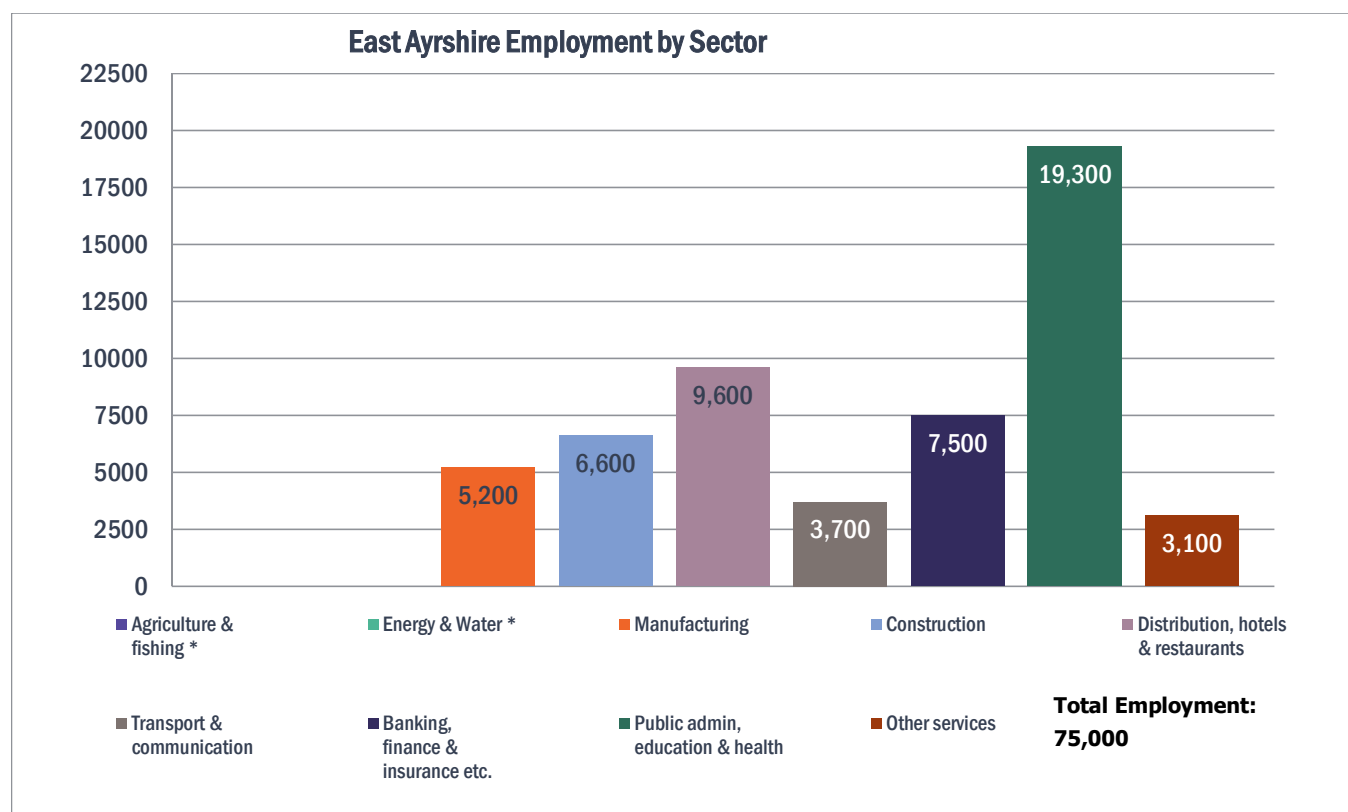
- 3.17 East Ayrshire Council adopted its Local Development Plan (LDP1) in 2017 and is currently working towards the creation of a second Plan (LDP2) with a Main Issues Report published in June 2020 for which consultation ended on the 31st July 2020. The plan is aimed at improving the local economy and identifying areas where there is opportunity for such improvement.
- 3.18 The Ayrshire Growth Deal (AGD) is a cross council, £251.5 million investment deal with a focus on Aerospace & Space, Energy, Marine, Manufacturing and Tourism backed by funding from both the UK and Scottish Governments. In East Ayrshire there are a number of projects within the AGD hoping to boost local employment and economic activity. Over a 15-year delivery period, the AGD hopes to unlock around £300 million of private investment, create 7,000 new jobs and attract an inward migration; particularly of young people (Ayrshire Growth Deal).
- 3.19 Included in the AGD is the National Energy Research Demonstrator (NERD) project, based in Cumnock. It sees a £24.5 million investment (£17.5 million from the UK Government and £7.5 million from East Ayrshire Council) and will aim to develop a Smart Integrated 100% Renewable Energy System as well as a nationally significant Centre of Excellence for energy systems research and innovation which will include workshop and office space as well as business incubation space. (East Ayrshire Council). This project is part of the drive to make Scotland a net zero society by 2045 and hopes to make Ayrshire and Scotland a pioneer for renewable energy technology. The project has the potential to boost employment, allow for businesses to develop and expand within East Ayrshire and attract similar industry operators to the area (Ayrshire Growth Deal). The project will also have wider benefits to the local community as it will provide opportunities for children and young people to access the skills and knowledge of a cutting-edge industry and offer "hands on" experience in STEM (East Ayrshire Council).
- 3.20 The Advanced Manufacturing and Investment Corridor (AMIC) is another AGD project with £10 million invested from the UK Government for an Innovation Hub and Manufacturing Centre of Excellence focussing on food and drink and £13.5 million from the Scottish Government for the construction of Advanced Manufacturing units to support the wider advanced manufacturing sector. The project seeks to establish the Corridor as a regionally and nationally significant location where businesses can start-up and grow and existing businesses can expand at the Centre for Excellence. There is a focus on food and drink as this has been as important and established sector in Ayrshire with the region famous for produce such as potatoes, dairy products, meat and poultry. The Innovation Centre is the anchor element of the project and will be significant for Ayrshire as well as the entire South West of Scotland as it has the potential to link to the Dairy Innovation Centre in Dumfries, funded through the Borderlands Growth Deal (East Ayrshire Council).
- 3.21 The HALO project is a regeneration initiative to revitalise town centres across the UK with its first Scottish project taking place in Kilmarnock (HALO Projects, 2020). The multi-phase project will take place on the 11.33 ha former Johnnie Walker site close to Kilmarnock town centre adjoining the Ayrshire College Campus and Kilmarnock Railway Station with £2 million from Diaggio PLC (the owners of Johnnie Walker) and £2 million from East Ayrshire Council. It aims to create a mixed-use site that will deliver sustainable,

long-term economic growth as well as bring social benefits to Kilmarnock and Ayrshire. Included in the project is an Enterprise and Innovation Hub for digital learning and innovation where digital, manufacturing and cyber businesses can start and expand operations. The HALO project will also see the creation of 210 affordable homes to rent, a new Urban Park, a Fashion Foundry for small fashionwear businesses, a Children's Innovation Centre and will feature a number of leisure and community amenities. The project has already attracted £15 million of private sector investment, £3.5 million from the Scottish Government and £3.5 million from the UK Government. (HALO Projects, 2020).

- 3.22 Within the AGD, there are also plans to develop the Ayrshire Engineering Park on land at Moorfield which will deliver high quality, flexible industrial units for engineering and light manufacturing supply chains with £16 million from the AGD. Supporting these sectors will allow businesses to grow and recover from the impacts of Covid-19 as well as develop new and improved products and processes. The project expands on Moorfield Phase 2 which is already under construction and hopes to attract new investment to the area (East Ayrshire Council, 2020).
- 3.23 The Monitoring Statement accompanying the 2020 Main Issues Report identified that between 2012 (LDP1 Monitoring Statement issued) and 2017 (LDP1 adopted):
- There is a year-on-year increase in elderly population with death rates offsetting any inward migration
 - Population levels have stabilised with a 0.7% decline between 2012 and 2018 but is expected to decline
 - Kilmarnock has seen a modest increase in population but other settlements such as Cumnock have seen a decline
 - A significant number of settlements fall into the 0-20% most deprived data zones in Scotland
 - It is crucial that East Ayrshire remains a successful location for business activity and future economic development
- 3.24 East Ayrshire's economic performance is below the Scottish average; this has been the case for several years with high deprivation, fewer jobs per inhabitant, low wage levels and the second highest unemployment rate in Scotland (as of 2018).
- 3.25 The winding down of coal mining along with the closure of a number of large factories in Kilmarnock and other areas has resulted in a negative migration and led to consistent low economic inactivity.
- 3.26 Many working in full time employment earn an above average wage however, much of this can be attributed to residents of East Ayrshire commuting elsewhere to work. This is supported by a negative job density difference between Easy Ayrshire and the Scottish average.
- 3.27 Data from the East Ayrshire Community plan (2019) shows that 45% of East Ayrshire's population is resident in Kilmarnock with the remaining 55% distributed over 21 other settlements and in the rural area.

3.28 Since the adoption of LDP1 there has been business and industrial development activity however, the majority of this has not occurred on sites allocated in the LDP but rather areas that have been previously developed. There has been a general move away from industrial demand in East Ayrshire, with an increasing focus on business use. Demand for allocated sites has seen a downward trend in the number of applications despite development being directed to these locations (LDP2 monitoring statement, 2020). It is important to note however, that the calculations used in the LDP2 monitoring statement to determine demand for sites is based on floor space rather than the number of applications approved and that not all approved applications result in development taking place.

Figure 1: East Ayrshire Employment by Sector



East Ayrshire Community Plan (2020), *no data

- 3.29 From Figure 1, it can be seen that the public sector employs the majority of workers in East Ayrshire, accounting for 33.7% of total employment. This percentage is above that for public sector for Scotland which accounts for 31.9% of total employment. Other significant employment occurs in the construction, distribution and the financial sector with the percentage of those in employment in Construction in East Ayrshire (11.6%) above that for Scotland in total (7.2%).
- 3.30 The LDP2 Monitoring Statement highlights that an investment in tourism has led to an increase in employment of 19% within the tourism sector between 2012 and 2017. Tourism accounted for 8% of the total employment in 2017.
- 3.31 Business data for East Ayrshire shows that the majority of businesses are Micro Enterprises (88.5%) or Micro Local Units (81.7%) employing below 10 employees (Nomis, 2019).

Property Market Overview

United Kingdom

- 3.32 Across the UK, office market take-up has fallen; in Q3 2020 city centre take-up across the Big Nine UK cities was 42% lower than the 10-year average and out of town take-up an average of 30% lower however, these figures are an improvement from Q2 2020, where city take-up was 75% below the 10 year average and out of town 42% below (Avison Young, Big Nine Q2 & Q3 2020).
- 3.33 As a result of office closures and a rapid uptake in home working, the leasing market has seen an increase in the number of lease re-gears as, at present, occupiers are reluctant to commit to new space as uncertainty surrounding lockdown measures and the economy have made it difficult to predict future requirements (Avison Young, Q2 2020).
- 3.34 In the office market, some smaller occupiers have resumed searches for space that had previously been put on hold due to Covid-19, as they are able to make decisions more quickly than larger organisations. Some larger organisations have committed to long term pre-lets on space which have boosted take-up figures. However, there has been an increase in space being returned to market by tenants downsizing; with many larger occupiers undergoing consultations with staff leading to reduced space requirements. Going forward, it is expected that there will be a 'flight to quality' with occupiers taking less space but at a higher quality (Avison Young, Q2 & Q3 2020).
- 3.35 The Logistics market has had a strong Q2 2020 performance with take-up for Grade A warehouses in the UK up 33% of the 5-year, 6-month average and up 55% from 2019, totalling 1.39 million sq.m (15 million sq.ft) . Much of this is the result of a significant change in consumer demand for online shopping and e-commerce due to the lockdown restrictions (Avison Young, 2020).
- 3.36 Lockdown measures saw the closure of non-essential retail resulting in an uptake in demand for warehouse space from a number of occupiers including e-commerce, food retailers, discounters and the NHS. It is expected that e-commerce demand will continue to rise with the Covid-19 outbreak highlighting a need for space for stock holding and contingency capacity which could benefit Grade B buildings (Avison Young, 2020). This has also placed greater pressure on the 'last mile' delivery of goods, with demand for local fulfilment facilities increasing in the logistics sector in order to meet delivery timescales (Avison Young, 2020).
- 3.37 The retail market has been heavily impacted by Covid-19 with demand for retail space much lower and many larger companies reviewing their portfolios. One of the most notable is John Lewis, which has announced the closure of 8 stores across the UK.
- 3.38 Not all retail has performed poorly, out of town retail parks have performed better than expected due to a number of factors. Retail parks are often anchored by Supermarkets or large DIY stores that have attracted footfall throughout lockdown and increasing as restrictions were lifted. A perceived reluctance to use public transport has also attracted consumers to retail parks where there is often an abundant supply

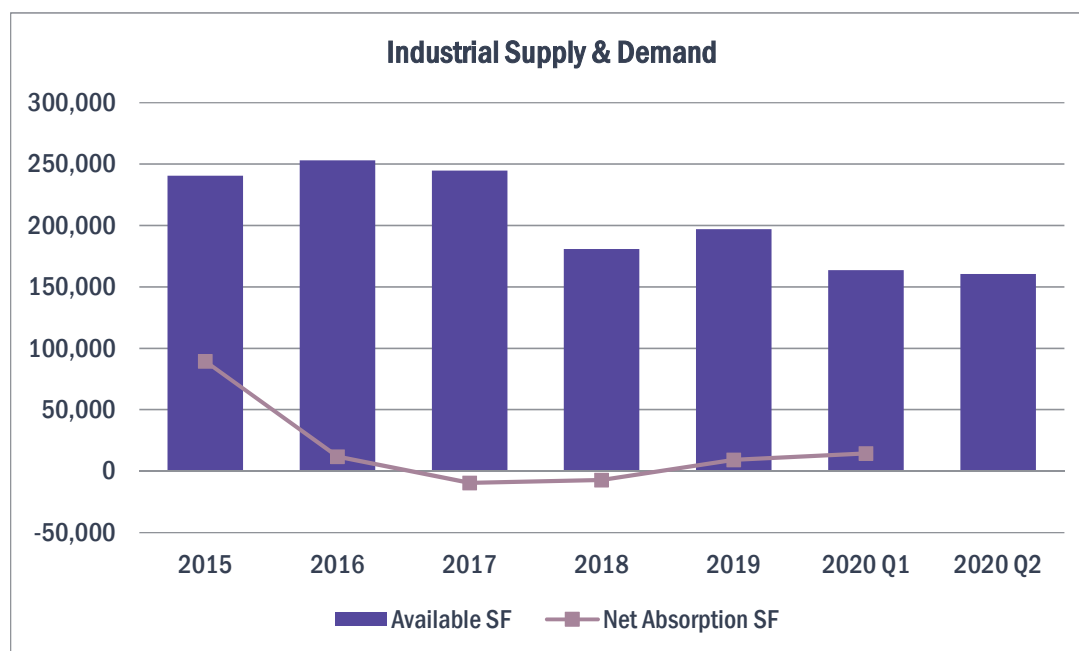
of parking, larger retail warehouse stores are also more adaptable to the social distancing and one way systems that have become commonplace (BNP Paribas Real Estate, 2020).

Scotland

- 3.39 As with the rest of the UK, the Scottish commercial property sector has had winners and losers during the Covid-19 pandemic.
- 3.40 The Scottish retail market has experienced many CVAs and store closures in recent years and we are yet to see the full extent of the Covid-19 Pandemic on the sector. In out of town retail parks, vacancies tend to be lower than city centres, with discount and outlet retailers performing particularly well. In contrast, shopping centres are not performing well with vacancy rates consistently rising (CoStar, 2020).
- 3.41 In the office market, after a sharp drop-in activity in April, activity has begun to pick up in city centre locations but overall take-up in 2020 has been significantly below the 10 year quarterly average. Edinburgh and Glasgow have seen some requirements that were paused begin to resume with some occupiers postponing searches towards the end of 2020 into 2021. The uncertainty over Covid-19 has led to more "Covid clauses" being placed within leases as a contingency for occupiers if subsequent lockdowns leaves occupiers unable to use their offices. In Q2 2020 there was notable activity in Glasgow's out of town office market with 3 deals above 30,000 sq. ft (c2,700 sq. m) with other large deals taking place out of town in Q3 (Avison Young, 2020). Edinburgh's market was boosted by a significant pre-let of 280,000 sq. ft (26,013 sq. m) for The Haymarket development for Bailie Gifford, taking its take-up figures well above the 10-year quarterly average (Avison Young, 2020).
- 3.42 Pre-Covid, the Scottish Industrial and Logistics sector had experienced a loss of stock through demolition and conversion of industrial sites with new development being primarily pre-let not speculative. There has been some small-scale industrial construction taking place which has attracted strong local tenant demand. Significant deals have taken place in the Scottish industrial market with H1 2020 take up at 393,725 sq ft (36,578 sq. m), just below the five-year, six monthly average (Avison Young, 2020).
- 3.43 The logistics market experiences some uptick in demand due to the spike in online retailing and e-commerce as a result of the lockdown measures and it remains to be seen if the resumption of traditional retail will impact this. Despite this, lifting of restrictions on the hospitality sector could bring benefits to other areas of the logistics market as many wholesale and food processing suppliers that were disrupted due to restrictions will see orders resume from hotels, pubs and restaurants that are now open (CoStar, 2020).

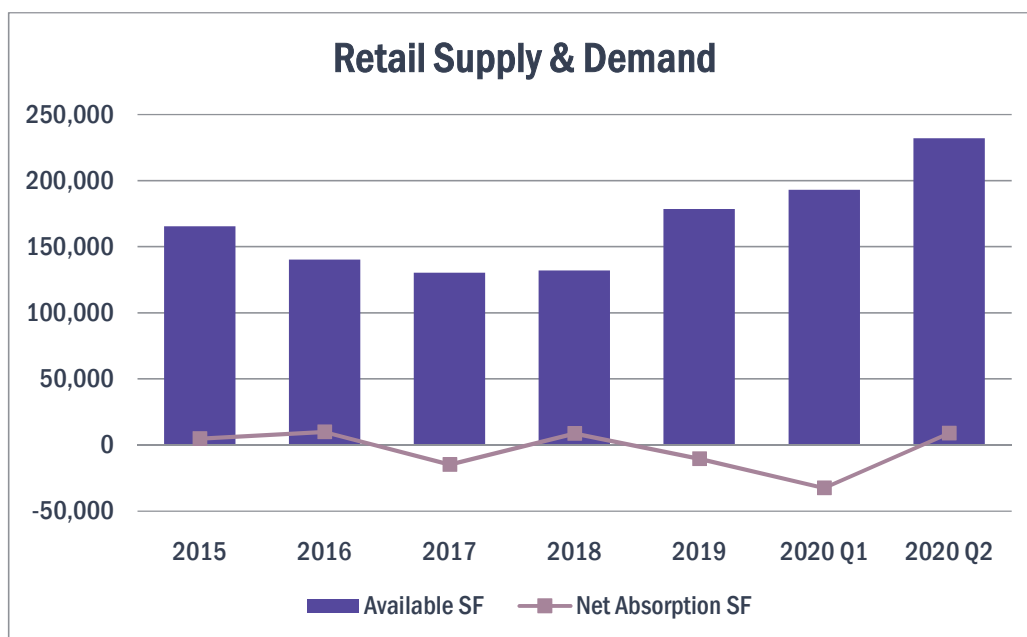
East Ayrshire

- 3.44 The Industrial market in East Ayrshire has experienced a loss in supply due to closures that have resulted in site demolitions and conversions of property to alternative uses. Despite this, local demand has seen some rental increase in the smaller unit market.

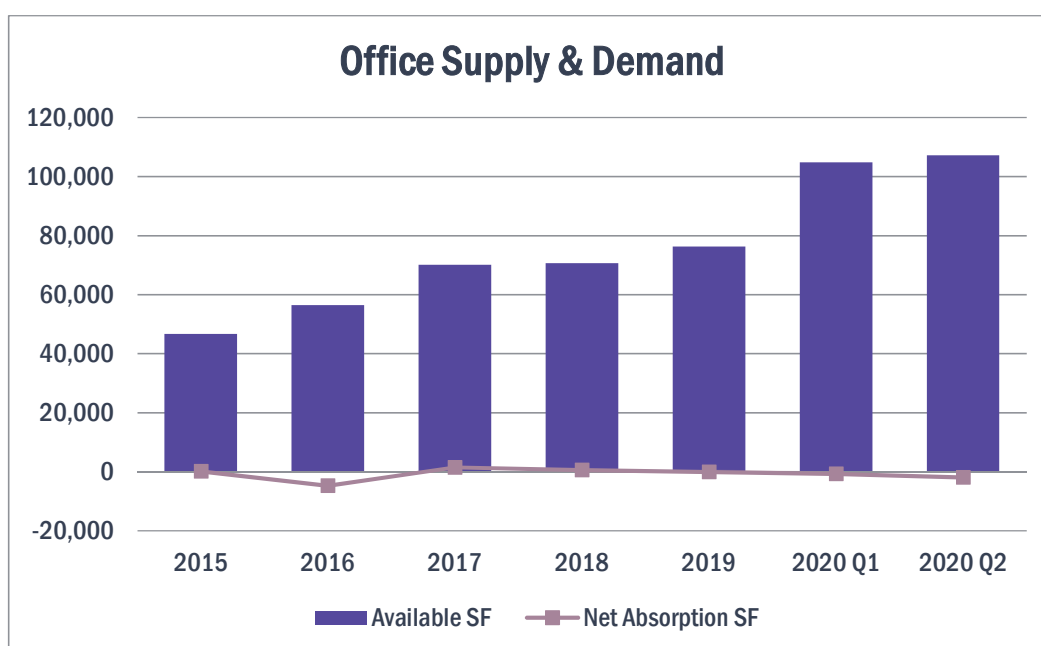
Figure 2: Industrial Supply & Demand in East Ayrshire

CoStar Group (2020)

- 3.45 Figure 2 shows the average available Industrial space in East Ayrshire against average Net Absorption (space occupied less space vacated). Occupation of industrial space has remained at a low level since a drop between 2015 and 2016. As previously stated, there has been a loss in supply of industrial space to alternative uses which can explain why there has been a fall in available space despite a fall in occupier demand. Net absorption in 2017 and 2018 was below zero meaning that more space was vacated than was occupied.
- 3.46 Data is not available yet for 2020 so we are unable to see the impact that Covid-19 has had on East Ayrshire's industrial market. Despite the logistics sector somewhat benefitting from the increased consumer demand for online shopping during the Covid-19 outbreak, East Ayrshire's industrial sector has a low level of development activity however, there are some new industrial developments underway at Moorfield Industrial Estate and in Stewarton. The location of East Ayrshire may act as a barrier to logistics use as it is not centrally located and the logistics sector has a strong preference for locations in the Central Belt. Examples of this are Eurocentral; a large logistics park in Motherwell with tenants such as Hermes and DPD in occupation and Glasgow Business Park, where Amazon have pre-let a 145,000 sq ft (13,471 sq. m) distribution centre.
- 3.47 East Ayrshire's retail market has experienced similar trends in the commercial property market to the rest of Scotland. High street and town centre retail is declining with rising unit vacancies despite investment to attract occupiers to the town centres. There has been a significant rise in the number of change of use applications for town centre retail units to be converted to food & drink and takeaway outlets; this shows that despite declining demand from traditional retail, units can be repurposed (LPD2 monitoring statement).

Figure 3: Retail Supply and Demand in East Ayrshire**Costar (2020)**

3.48 Figure 3 shows that, on average, there has been fluctuating but consistently low take-up of retail space since 2015 which has led to an increase in the amount of available retail space in East Ayrshire. There was a sharp fall in net absorption in Q1 2020, indicating significant vacation of retail space. As we do not have full data for 2020, we are unable to see how Covid-19 has affected take-up levels in the retail sector but with forced store closures as part of April's lockdown measures, loss of trade may see permanent closure of shops and therefore an increase in available/vacant retail space.

Figure 4: Office Supply & Demand in East Ayrshire**CoStar (2020)**

- 3.49 The data in Figure 4 shows a consistently low demand for office space in East Ayrshire with a large amount of available space. There is a visible downward trend on net absorption since 2017 with vacation of space surpassing new occupation year-on-year. This has led to an increase in the availability of office space which can be seen in Figure 4.
- 3.50 East Ayrshire's office market is considered a secondary or tertiary market meaning that demand for space is much less than that for prime markets such as Glasgow city centre. Pre-Covid-19, East Ayrshire, along with South Ayrshire, attracted the highest office rentals in Southern Scotland, which covers Dumfries & Galloway, East Ayrshire, North Ayrshire, South Ayrshire and the Scottish Borders (CoStar, 2020) however, rental levels are still experiencing negative growth and it is likely this trend will continue.
- 3.51 Data for Q1 and Q2 2020 may be an indication of the impact of Covid-19, with an increase in available space and a negative net absorption. We are yet to see the full impact of lockdown measures and office closures on the East Ayrshire property market which was effectively brought to a standstill in April 2020 (CoStar, 2020). The concern is Covid-19, with its emphasis on home working, could accelerate an already falling demand for office space.

4. Supply of Business and Industrial Land

Assessment of Employment Land

- 4.1 This chapter will assess the supply of employment land within East Ayrshire. Employment land is defined in this exercise as any vacant site that is currently available for employment uses and is supported by planning policy in the East Ayrshire Local Development Plan. There are 56 sites identified including Strategic Sites, Local Sites and miscellaneous development opportunity sites, a full list of the sites for assessment can be found in Appendix A. The site areas stated are only the gross area and the actual size of developable land will be less.

Assessment Methodology

- 4.2 Each site was assessed against a number of criteria, each with a maximum score of 5 per criteria and a maximum total score of 30. The criteria are listed below:
- Strategic Fit: how the site fits with the economic development and regeneration policy aims and objectives of the Local Development Plan
 - Market Assessment: How much demand for the site is likely from occupiers, developers and investors for use as business space
 - Transport and Access: The quality of public transport available and assessment of how the site is connected to the strategic road network
 - Economic Impact: The potential impact of a site, if developed, based on the existing type and scale of existing business on or surrounding the site

- Development Potential: Assessment of the extend of undeveloped land on a site, the need/cost for remediation and the need/cost of infrastructure and services
- Alternative Use Pressure: Sites that attract a significant pressure for alternative uses will have a score of 0 (indicating that the site is more attractive for non-employment uses) and sites where alternative use is unlikely will score 5 (indicating that the site is either fully developed for employment use or is already established as a business location)
- Scottish Planning Policy (2014): Sites allocated sites have been assessed according to their availability for development in 1 of the 3 following categories:
 - Immediately Available Land: serviced with no major constraints to immediate development
 - Five Year Availability Land: with minor constraints such as lack of servicing or a requirement for improved access that can be prepared within a period of 5 years
 - Major Constrained Land: subject to major constraints such as substantial pluvial or fluvial flood risk, contamination problems or other severe constraints that would require considerable remediation/work that would take more than 5 years before the land can be available for development

Assessment Results

- 4.3 The allocated employment sites have been assessed, with the results set out in Figure 6: Employment Land Assessment, Figure 7: Miscellaneous Land Assessment and Figure 8: Mixed-Use Land Assessment. It is noted that within the Miscellaneous Land, only miscellaneous land that can support business and industrial use has been included within LDP allocation. Figure 9 categorises the sites according to the Scottish Planning Policy Categories.

Figure 6: Employment Land Assessment

LDP Ref	Site	Town	1.Strategic Fit	2. Market Assessment	3. Transport & Access	4. Economic Impact	5. Development Potential	6. Alternative Use Pressures**	Total Score
160B	Moorfield Phase 3*	Kilmarnock	4	4	4	4	5	4	25
158B	Moorfield (North)*	Kilmarnock	5	4	4	4	3	4	24
159B	Moorfield (South)*	Kilmarnock	4	4	3	4	4	4	23
323B	Glenfield Ind. Estate*	Kilmarnock	4	4	4	4	2	5	23
153B	Rowallan Business Park*	Kilmarnock	4	3	4	3	4	3	21
324B	Glacier Vandervel	Kilmarnock	4	3	3	4	4	2	20
345B	Waterside Industrial Estate	New Cumnock	4	3	4	3	2	4	20
270B	Cumnock Business Park	Cumnock	4	3	3	3	2	4	19
332B	Bonnyton Industrial Estate/West Langlands Street	Kilmarnock	3	4	4	3	3	2	19
359B	Egger Factory, Barony Road, Auchinleck	Rural Area	4	3	2	3	3	4	19
301B	Barrmill Road	Galston	2	4	3	3	2	4	18
007B	Barony Road/Highhouse Industrial Estates	Auchinleck	4	3	3	3	2	3	18
283B	Campbell Street	Darvel	3	2	1	3	3	4	16
285B	Jamieson Rd / Green St	Darvel	3	2	1	3	3	4	16
303B	Mauchline Road	Hurlford	3	2	3	2	2	4	16
192B	Rigg Street*	Stewarton	2	3	3	2	2	4	16
352B	Ayr Road Industrial Site	Patna	3	3	2	3	3	2	16
271B	Ayr Road	Cumnock	3	2	2	2	2	4	15
294B	Littlemill Road	Drongan	3	3	3	2	1	3	15
042B	Station Road Industrial Estate	Mauchline	2	3	2	3	2	3	15
348B	Brown Street	Newmilns	3	3	2	4	2	1	15
193B	Bridgend*	Stewarton	2	2	3	2	2	4	15
254B	Bonded Warehouse	Catrine	4	3	2	2	1	3	15
152B	Meiklewood/Mossdale*	Kilmarnock	3	3	1	3	3	2	15
293B	Drongan Industrial Estate	Drongan	3	3	2	2	1	3	14
006B	Templeton Roundabout	Auchinleck	3	2	3	2	3	1	14
253B	Newton Terrace	Catrine	2	2	1	2	2	2	11

*strategic sites

Figure 7: Miscellaneous Land Assessment

LDP Ref	Site	Town	1.Strategic Fit	2. Market Assessment	3. Transport & Access	4. Economic Impact	5. Development Potential	6. Alternative Use Pressures	Total Score
330M	Balmoral Road	Kilmarnock	4	4	3	3	4	3	21
383M	Caponacre Ind Estate	Cumnock	4	3	3	3	3	4	20
326M	Titchfield Street/Douglas St	Kilmarnock	3	3	4	2	3	2	17
373M	30-38 John Finnie St, 1-5 Dunlop Rd	Kilmarnock	3	3	4	2	3	2	17
378M	Main Street	Auchinleck	3	2	2	3	3	3	16
117M	Mauchline Road	Hurlford	3	2	3	2	2	4	16
051M	Muirkirk Bing Site	Muirkirk	3	3	3	2	3	2	16
327M	West Shaw Street	Kilmarnock	3	1	3	3	2	3	15
059M	Barony Power Station	Rural Area	2	2	2	3	2	3	14
060M	Barony Colliery	Rural Area	2	2	2	3	2	3	14
220M	Laigh Milton Road	Crosshouse	2	2	2	2	2	3	13
061M	Skares Brickworks	Rural Area	2	2	2	2	2	3	13
381M	Brown Street	Newmilns	1	2	2	2	2	3	12
380M	Newton Terrace	Catrine	2	2	2	2	2	2	12
078M	High Street	Dalmellington	2	2	2	2	2	2	12
030M	Bank School	Leggate, C Pk. & B Gl	2	2	2	2	2	2	12
058M	Mauchline Colliery	Rural Area	2	2	2	2	2	2	12
379M	School Road	Auchinleck	2	2	1	2	2	2	11
376M	Cross Street/Bridge Street	Galston	2	2	2	2	2	0	10
382M	Bridge Street	Galston	2	1	2	1	1	3	10
374M	Former ABC Cinema, Titchfield Street	Kilmarnock	1	1	3	1	1	3	10
346M	Castle	New Cumnock	2	2	1	2	1	2	10
377M	Bridge Street	Catrine	2	2	1	2	2	1	10
370M	Armour Street	Kilmarnock	2	3	2	3	0	0	10
375M	Former Co-Op Building	Darvel	1	1	2	1	2	1	8

Figure 8: Mixed-Use Land Assessment

LDP Ref	Site	Town	1.Stratic Fit	2. Market Assessment	3. Transport & Access	4. Economic Impact	5. Development Potential	6. Alternative Use Pressures	Total Score
004MXD	Furnace Rd. Industrial Site	Muirkirk	4	3	3	3	4	3	20
003MXD	Ayr Road	Kilmarnock	3	3	3	3	3	3	18
001MXD	Glaisnock Glen	Cumnock	2	2	2	3	3	3	15
002MXD	East Main Street	Darvel	3	1	2	3	3	3	15

Figure 9: Scottish Planning Policy Assessment

LDP Ref	Site	Town	Scottish Planning Policy Category
160B	Moorfield Phase 3	Kilmarnock	5 year availability
153B	Rowallan Business Park	Kilmarnock	5 year availability
271B	Ayr Road	Cumnock	5 year availability
059M	Barony Power Station	Rural Area	5 year availability
060M	Barony Colliery	Rural Area	5 year availability
006B	Templeton Roundabout	Auchinleck	5 year availability
220M	Laigh Milton Road	Crosshouse	5 year availability
061M	Skares Brickworks	Rural Area	5 year availability
152B	Meiklewood/Mossie	Kilmarnock	5 year availability
058M	Mauchline Colliery	Rural Area	5 year availability
004MXD	Furnace Rd. Industrial Site	Muirkirk	5 year availability
285B	Jamieson Rd / Green St	Darvel	5 year availability
051M	Muirkirk Bing Site	Muirkirk	5 year availability
030M	Bank School	Leggate, C Pk. & B Gl	5 year availability
158B	Moorfield (North)	Kilmarnock	immediately available
159B	Moorfield (South)	Kilmarnock	immediately available
323B	Glenfield Ind. Estate	Kilmarnock	immediately available
383M	Caponacre Ind Estate	Cumnock	immediately available
270B	Cumnock Business Park	Cumnock	immediately available
003MXD	Ayr Road	Kilmarnock	immediately available
007B	Barony Road/Highhouse Industrial Estates	Auchinleck	immediately available
326M	Titchfield Street/Douglas St	Kilmarnock	immediately available
117M	Mauchline Road	Hurlford	immediately available
352B	Ayr Road Industrial Site	Patna	immediately available
001MXD	Glaisnock Glen	Cumnock	immediately available
002MXD	East Main Street	Darvel	immediately available
294B	Littlemill Road	Drongan	immediately available
042B	Station Road Industrial Estate	Mauchline	immediately available
193B	Bridgend	Stewarton	immediately available
380M	Newton Terrace	Catrine	immediately available
078M	High Street	Dalmellington	immediately available
379M	School Road	Auchinleck	immediately available
376M	Cross Street/Bridge Street	Galston	immediately available
382M	Bridge Street	Galston	immediately available
374M	Former ABC Cinema, Titchfield Street	Kilmarnock	immediately available
346M	Castle	New Cumnock	immediately available
377M	Bridge Street	Catrine	immediately available
375M	Former Co-Op Building	Darvel	immediately available
327M	West Shaw Street	Kilmarnock	major constraints
348B	Brown Street	Newmilns	major constraints
381M	Brown Street	Newmilns	major constraints
330M	Balmoral Road	Kilmarnock	N/A - being developed
378M	Main Street	Auchinleck	N/A - being developed
345B	Waterside Industrial Estate	New Cumnock	N/A - developed/occupied
332B	Bonnyton Industrial Estate/West Langlands Street	Kilmarnock	N/A - developed/occupied
301B	Barmill Road	Galston	N/A - developed/occupied
373M	30-38 John Finnie St, 1-5 Dunlop Rd	Kilmarnock	N/A - developed/occupied
283B	Campbell Street	Darvel	N/A - developed/occupied
192B	Rigg Street	Stewarton	N/A - developed/occupied
293B	Drongan Industrial Estate	Drongan	N/A - developed/occupied
253B	Newton Terrace	Catrine	N/A - developed/occupied
370M	Armour Street	Kilmarnock	N/A - developed/occupied
324B	Glacier Vandervel	Kilmarnock	N/A - occupied
359B	Egger Factory, Barony Road, Auchinleck	Rural Area	N/A - occupied
303B	Mauchline Road	Hurlford	N/A - occupied
254B	Bonded Warehouse	Catrine	N/A - occupied

Analysis of Assessment Results

Key points to note:

- The total employment land allocated in the East Ayrshire Local Development Plan amounts to 429.8 hectares
- 46% of the employment land is located in Kilmarnock
- 32% of sites are less than 1ha

4.4 Non-strategic sites are identified as local sites and the following conclusions have been drawn from their assessment:

- Sites scoring 20 and above form an effective part of the employment land supply in East Ayrshire and should remain allocated for this use. Many of these sites have already been partially or fully developed for business or industrial use and contribute to the local economy. It should be noted that the site at Caponacre Industrial Estate has been allocated as a miscellaneous site, despite being an already established Industrial location. This is because the scale and layout of the site means that it is unlikely to be developed by a single occupier and the limited access to the site from the B7083/Glaisnock Road may restrict the number of industrial vehicles that could be accommodated.
- The sites that have scored 19-15 are considered to be a good strategic fit, providing an opportunity for local employment/industry with some businesses already established on many of the sites. Location wise, many of these sites are located in a mixed use or residential area and, despite not having short term pressure for alternative use, they may be suited to an alternative use in the longer term for residential or other use (subject to an appropriate masterplan). An example of this would be the site at Jamieson Road/Green Street, Darvel. At Campbell Street, Darvel and Brigend, Stewarton there is an established and developed use on the site however, they are located within mostly residential areas and if the existing business activity at these locations were to cease the sites may see demand for alternative use in the long term.
- Sites that scored below 15 are considered to be less suitable for employment uses as their size or location makes them less desirable to developers or occupiers and tend to score low for market demand and development potential. These lower scoring sites should be considered for alternative uses where possible and otherwise de-allocated.

4.5 There are a number of sites allocated as Miscellaneous Development Opportunities including the high scoring site at Caponacre Industrial Estate which is an established Industrial location with potential for further development subject to sufficient demand, the site may face pressure for residential use as housing development has taken place in some of the surrounding area. Similarly, the site at Mauchline, Hurlford (LDP R 113M) has established industrial activity but is in a residential area and may face demand for residential use should the existing business on site cease to operate.

- 4.6 Some of the main considerations when assessing demand are location, access to and availability of infrastructure with adequate capacity. Developers and occupiers who are looking for business or industrial space will require the appropriate infrastructure to support operations and, infrastructure investments have the potential to alter developer and occupier demand as they can make a site more operationally effective and, in some cases, reduce an initial cost outlay for the business.
- 4.7 Investment Criteria:
- Close proximity to the strategic road network such as being location near a motorway junction. This is particularly important for the industrial and logistics market which has experienced an increase in demand scale as a result of Covid-19 lockdown restrictions.
 - Connectivity to public transport networks and routes will be of importance to business in order to allow staff to easily commute
 - Being in close proximity to town centres will be beneficial for both public transport and providing staff with amenities
 - Access to digital infrastructure such as fibre broadband is becoming increasingly important for businesses
- 4.8 In undertaking this review, gaps in employment land have been identified where land has already been developed or has been developed for alternative use and presents no further opportunity for expansion. An example of this is the site at Armour Street, Kilmarnock which was highlighted as being fully developed for retail purposes.
- 4.9 The total supply of allocated employment land in East Ayrshire is 429.8 hectares. Though there is a large amount of land allocated, this does not mean that all sites within this supply will present an opportunity for development. Some allocated sites have been fully or partially developed and the site sizes noted in the LDP do not reflect the amount of land that is actually available for further employment use. Those sites that have been fully developed or are in occupation have been identified in Figure 9 (Commentary is available in Appendix D).
- 4.10 A refinement of the allocated employment to reflect where sites have been fully developed and therefore present no further development opportunity will allow for a more accurate representation of the supply. For sites where partial development has taken place, a revision of the site boundaries to outline where land is still to be developed would allow for a more accurate assessment of the available employment land.
- 4.11 It should be noted that some sites that have been partially developed may not be suitable for further development despite having vacant land. An example of this is at Laigh Milton Road, Crosshouse where there is an occupier in partial occupation, but the access and topography of the remaining space makes it unlikely to attract demand.
- 4.12 Of the 429.8 hectares of allocated employment land, a large proportion is located within Kilmarnock, totalling 197.7 hectares over 15 sites. Cumnock has 38.7 hectares over 4 sites and there is 23.4 hectares

in Hurlford over 2 sites. The remaining 178.1 hectares is located in various towns and rural areas across East Ayrshire.

Strategic Location Assessment

- 4.13 Four strategic locations were identified for further assessment in terms of their demand and viability for industrial and business use:
- Meiklewood and Rowallan Business Park at North West Kilmarnock (152B and 153B of the EALDP)
 - Moorfield Industrial Estate (sites 158B, 159B, 160B of the EALDP)
 - Stewarton (sites 192B and 193B of the EALDP)
 - South Central Kilmarnock (Site 323B and adjacent mixed-use area)
- 4.14 The site at Meiklewood/Mossie is 43.3 hectares in size with a significant portion of undeveloped, greenfield land. There is some established, light industrial activity on the site which is all concentrated to the front of the site. Access to the site is extremely limited at present, with a narrow access road off Glasgow road leading to the developed portion of the site. The site presents a good opportunity for development being located on the outskirts of Kilmarnock where the majority of business and industrial activity takes place, but in order to support larger scale industrial and business use, the access must be improved as the current road would be unable to support a high volume of industrial vehicles. The existing junction feeding into Glasgow Road may be utilised to create further roads leading throughout the site. As the B7038 Glasgow Road feeds into the A77 Kilmarnock Bypass, there is likely to be a high volume of traffic at peak times therefore, the ability of the road to cope with extra traffic from potential development should be assessed. Further work needs to be undertaken to establish the feasibility and cost of upgrading the service infrastructure to facilitate expansion of this land to accommodate further business and industrial use. The site has been noted to have continued interest and should remain allocated within the LDP.
- 4.15 Rowallan Business Park has good, established business activity on site with strong access provision to the East of the site where development has taken place. To the South and South West of the site, there has been significant housing development activity and this side of the site may face further pressure for residential use with an adjacent site recently submitted to East Ayrshire Council through a call to action for residential development sites. Despite this pressure, the site has been noted to have ongoing interest and is well placed for business and industrial use and should remain allocated within the LDP. Avison Young understand East Ayrshire Council have purchased some of the development plots within this facility to ensure future investment.
- 4.16 Moorfield Industrial Estate has a number of well-established industrial businesses on site across Moorfield North and South (158B and 159B) with further development activity taking place. Moorfield Phase 3 (160B) is a previously undeveloped, greenfield site with existing access via a roundabout on the B7081 Kilmarnock road and is the site of the AGD's Moorfield Engineering Park development project. Moorfield is well placed

for business and industrial use with ongoing activity taking place and inclusion within the Ayrshire Growth Deal therefore so should remain allocated within the LDP. The success of the units currently under development by the Council and of Moorfield Engineering Park should be monitored by East Ayrshire Council and should there be strong interest in the remaining land at Phase 3 (160B), a review of the surrounding area should be undertaken to identify further sites viable for development. Consideration should be taken of the road network, Dalespark Roundabout and Moorfield Roundabout's ability to cope with additional traffic and vehicle pressure that would result from development.

- 4.17 The two sites at Stewarton are Rigg Street (192B) and Brigend (193B). A supermarket development has recently completed at Rigg Street and there is also a large single occupier and a number of local occupiers on the rest of the site. There will be no further land to develop and therefore Rigg Street should no longer be a strategic site.
- 4.18 Brigend is partially occupied by one occupier and is located adjacent to a residential area. Any further development at Brigend would face limitations due to the surrounding residential use but could be viable for local business/trade counter type use. Given the residential use surrounding the site, it may be subject to residential/community use pressures in future. Brigend does present some opportunity for further development so should remain allocated within the LDP. To the North of Stewarton there is land where industrial development has taken place with a number of occupiers on site. This site presents a better opportunity for development due to its location on the outskirts of Stewarton offering more space. There has been residential development in the area which should be noted in case the area is subject to further residential pressure. It is recommended that additional sites within Stewarton be identified if Rigg Street is to be removed and if there is available land to the North.
- 4.19 A site in North Stewarton has recently been presented in a call for residential sites and could also present opportunity for commercial use. There is an element of existing residential development in the surrounding area however, the site has some existing commercial property and could be allocated as a mixed-use development site within the LDP. Demand is likely to be from local area occupiers as the site lacks the transport connectivity for larger, logistics operators.
- 4.20 South central Kilmarnock has been developed to accommodate a range of business and industrial uses such as at Glenfield Industrial Estate (323B). The majority of the land has been developed with small pockets where there may be an opportunity. Flooding has been identified as an issue with some area of the site that has constrained development, this has also been identified as an issue with the adjacent site at West Shaw Street. The site is highly likely to remain a desirable location for business and industrial use due to the central Kilmarnock location and should remain allocated within the LDP as the site will likely experience tenant turnover that will, in turn, present future opportunities.

Site Availability

- 4.21 Figure 9 categorises sites according to availability as per Scottish Planning Policy (2014). 24 sites are categorised as immediately available, meaning that they have no constraints that need remedied before

the site can be developed. The spread of the immediately available sites is good, covering a number of locations across East Ayrshire.

- 4.22 There are 14 sites categorised as “5-year availability” due to the need for servicing and access to be improved. These sites provide a good opportunity for development and are fairly well distributed across East Ayrshire. A number of the sites are in rural locations or smaller settlements where there is less demand for business and industrial activity. Before servicing these sites, consideration should be taken as to likely demand through market demand and a review of previous interest/applications for the site to avoid an unnecessary outlay of resources

Three sites are identified as having major constraints. These are both sites at Brown Street, Newmilns and West Shaw Street, Kilmarnock. Brown Street (348B) has flooding constraints that will limit the viability of development on the site and has had no planning applications for 10 years. The other site at Brown Street (381M) has again, had flooding constraints that have halted development, most recently for residential development. West Shaw Street has had fluvial issues which has prevented development on the site. This site is well placed and is one of the few unoccupied sites in South Central Kilmarnock and has had previous interest for development. Remediation of the longstanding fluvial issues on this site should be prioritised, if possible, as the surrounding area has undergone significant development activity.

Location and Number of Employment Sites by Settlement

- 4.23 The distribution of employment land designated within the East Ayrshire Local Development Plan varies between areas and is detailed in the table below. The sites in the table have been ordered according to the LDP’s Settlement Hierarchy, as set out in the Spatial Strategy section of the LDP (2017).

Table 1: Number and Total Size of Employment Land per Settlement

Town	No of Sites	Total Land (ha)
Kilmarnock	14	197.7
Cumnock	4	38.7
Stewarton	2	3.0
Galston	3	0.5
Dalmellington	1	0.1
Auchinleck	4	15.3
Mauchline	1	1.6
Newmilns	2	11.6
Catrine	4	6.3
Crosshouse	1	1.6
Darvel	4	2.9

Drongan	2	1.6
Hurlford	2	23.4
Leggate	1	1.2
Muirkirk	2	14.6
New Cumnock	2	1.8
Patna	1	11.1
Rural	5	97.1
Total	55	429.8

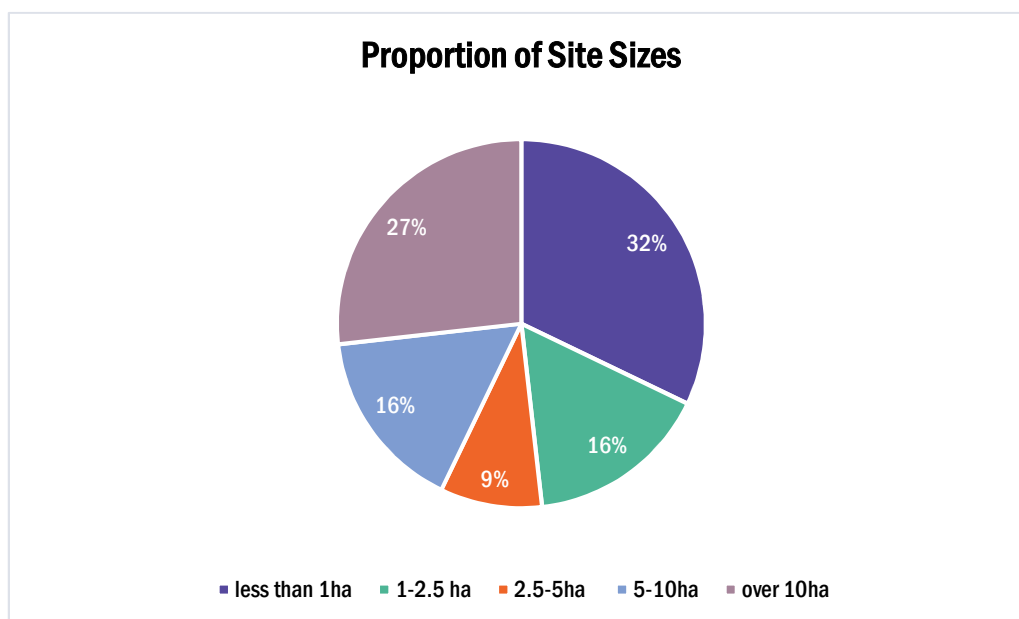
Site, Size and Location of Employment Land

4.24 Table 2 below details the size distribution of allocated sites in East Ayrshire.

Table 2: Site Size and Distribution Within East Ayrshire Settlements

Site Size Range	Location	No. of Sites within location
Less than 1 ha	Auchinleck	1
	Catrine	3
	Darvel	3
	Dalmellington	1
	Drongan	1
	Galston	3
	Kilmarnock	3
	New Cumnock	1
	Newmilns	1
	Stewarton	1
1-2.5 ha	Auchinleck	1
	Crosshouse	1
	Darvel	1
	Drongan	1
	Leggate	1
	Mauchline	1
	New Cumnock	1
	Rural	1
	Stewarton	1

2.5-5ha	Cumnock	1
	Kilmarnock	3
	Muirkirk	1
5-10 ha	Auchinleck	2
	Catrine	1
	Cumnock	2
	Hurlford	1
	Kilmarnock	2
	Rural	1
Over 10 ha	Cumnock	1
	Hurlford	1
	Kilmarnock	7
	Muirkirk	1
	Newmilns	1
	Patna	1
	Rural	3

Figure 12: Proportion of Site Sizes

4.25 There

are 18 sites that are less than 1ha in size and they are distributed fairly evenly across settlements in East Ayrshire. The same can be said for sites within the 1-2.5 ha size range with the 9 sites spread across a number of settlements.

4.26 There are 5 sites within the 2.5-5 ha size range of which, 3 are in Kilmarnock. The 5-10 ha size range is well distributed with 9 sites spread over 6 locations and no location having more than 2 sites.

4.27 Of the 56 sites, 15 are larger than 10 ha and the distribution is less even across settlements, with 7 of these located within Kilmarnock; this is to be expected as Kilmarnock sits at the top of the settlement

hierarchy and presents the strongest opportunity for development. 3 of the large sites are located in Rural Areas with the others distributed evenly across 5 other settlements.

- 4.28 Overall, the distribution of sites by quantity is even across settlements with both the number of sites and the total amount of land available highest in Kilmarnock and Cumnock, which are at the top of the Spatial Strategy Settlement Hierarchy. Rural areas also have a large sites however, this will be due to the lack of existing development in the surrounding areas to eat into the availability and will not mean that there will be demand or opportunity for development.

Analysis of Employment Land

- 4.29 Kilmarnock has the largest amount of allocated land in both size and number of sites; 197.7 ha over 14 sites. Cumnock has 38.7 ha over 4 sites and Hurlford has 23.4 over 2 sites. The sites located in areas marked as 'Rural' total 97.1 ha over 5 sites. Though the Rural sites are of a significant size, their location will limit the demand from market developers, occupiers and investors and therefore they may not be suitable for development.
- 4.30 It is expected that the highest concentration of sites is in Kilmarnock as there is a strong market preference and existing presence of activity in the town and Kilmarnock has the highest population concentration of East Ayrshire. The results of Avison Young's public sector consultation exercise suggest that a majority of businesses desire to stay in East Ayrshire and, as the bulk of respondents were from Kilmarnock, it is important that there is an adequate supply of space and land is maintained in and around the town. The current level of allocated land within Kilmarnock is good however, some allocated sites are either undergoing development or are due to be developed. As Kilmarnock sits at the top of the Settlement Hierarchy, it is recommended that additional sites be identified, where possible, in Kilmarnock. Ideally such sites would be located in close proximity to other development projects and well-connected to the road network.
- 4.31 There is a good distribution of smaller sites, less than 1 ha and 1-2.5 ha, in settlements across East Ayrshire. These sites may provide opportunity for development that targets local occupiers who are small, maybe single operators such as start-ups or trade counter operators. However, not all these sites will be suitable for business use and sites, such as John Finnie Street, Kilmarnock have already been developed and do not present further opportunity for development.

- 4.32 In the 2.5-5 ha and 5 -10 ha size ranges there are a number of sites that are either fully or are currently being developed or are unsuitable for development therefore, there may be a need for additional sites to be allocated in this size range. Of the 2.7 ha at Titchfield Street, Kilmarnock, the majority has been developed as an Aldi supermarket with only a small pocket remaining at Douglas Street. The 8.7 ha site at Glacier Vandervaal, Kilmarnock is in full use already as a factory and the 5.2 ha Bonded Warehouse site in Catrine is in full use as a bottling plant by Loch Lomond Group. These sites do not offer any development opportunity at present and their allocation should be reviewed to identify them separately from the immediately available sites.
- 4.33 Availability of sites will not necessarily generate demand for development. It is likely that, where suitable, the highest demand for sites will be in Kilmarnock as can be seen through market sentiment. Sites such as Muirkirk Bing, Muirkirk and Ayr Road, Patna have been noted as having no apparent interest for development or having had no recent planning applications and therefore should be de-allocated from the LDP as its inclusion distorts the reported figures of available development land.

AMIC Sites

- 4.34 Six sites were identified for potential use in the development of the Ayrshire Manufacturing Investment Corridor (AMIC) and have been assessed from a market perspective to ascertain their suitability for inclusion in the project.
- 4.35 The sites are
- Kirklandside (Former Hospital), Hurlford
 - Land between A71 and A76
 - Rowallan Business Park, Kilmarnock
 - Meiklewood/Mossie, Kilmarnock
 - Caponacre Industrial Estate, Cumnock
 - Moorfield Industrial Estate, Kilmarnock
- 4.36 Kirklandside is located adjacent to the Bellfield Interchange roundabout between the A77 and A75 roads. At present, there is only access to the site via a slip road off the A76 and if the site were to be utilised for industrial use, it would require additional access to the A77. The lack of access at present is problematic and releasing the site would increase the peak time congestion on the A77 off ramp. Use of this site would require improvements to the junction and there are physical constraints that limit the viability of the site.
- 4.37 The Land between the A71 and A76 suffers similar problems to that at Kirklandside regarding access and road congestion at the Bellfield Interchange. There is some residential use on the surrounding land and it

would be recommended that if the site is to be released, that any development for industrial use is kept well separated from housing.

- 4.38 Rowallan Business Park is a well-located site with already established employment use and good access to the M77 motorway. The potential development of the site is limited by the number of available plots to develop as the site is already in use and it has been established that this lack of availability makes it unsuitable for inclusion within AMIC.
- 4.39 Meiklewood/Mossie benefits from a good location and has a large proportion of undeveloped land therefore presents a good opportunity for AMIC development however, there is poor access to the site at present and this may be difficult to overcome due to the close proximity of the B7038 Glasgow Road feeding into the A77 Kilmarnock Bypass which could see high peak time traffic congestion. If access can be improved and the road network is able to cope with additional development, then Meiklewood/Mossie presents a good development opportunity for AMIC.
- 4.40 The site at Caponacre Industrial Estate, Cumnock is already established and operating as an industrial estate. The site has limited access to the motorway network which would limit its capability of being a strategic site. Caponacre is more suited for use by local/single operators on a smaller scale and would be unlikely to attract significant inward investment.
- 4.41 Moorfield is a good quality, modern industrial estate on the outskirts of Kilmarnock with established industrial use and strong access to the A71 therefore would be a suitable site for the AMIC project.

Analysis of the Property Market

- 4.42 This section will review the available supply of Industrial and Office space in East Ayrshire and will look at the size and distribution of availability.
- 4.43 Industrial Availability within the East Ayrshire Industrial Submarket (CoStar, October 2020) totals 100,846 sq. ft (9,369 sq. m) over 25 units. All but 3 of the 25 units available are located in Kilmarnock with 2 in Cumnock and 1 in Lugar (Full list in Appendix B).

Table 3: East Ayrshire Industrial Availability

Size (Sq. M)	No of Units
Up to 200	7
200-500	9
500-1000	9
Above 1,000	0

Source: CoStar (2020)

- 4.44 Table 3 highlights that, at present (October 2020), there is no industrial availability above 1000 sq. m (10,764 sq. ft) in East Ayrshire. The largest unit available is an 811 sq. m (8,730 sq. ft) unit at 208 Western Road, Kilmarnock (CoStar, 2020).

- 4.45 The lack of space above 1,000 sq. m (10,764 sq. ft) could be a deterrent to larger operators who require significant space to operate. As previously mentioned, the increase in demand for online shopping has boosted the logistics market with particular focus on 'last mile logistics' if this sector is to be attracted to East Ayrshire, operators will require a large space provision.
- 4.46 It should be noted that a pavilion of industrial units has been recently developed in Stewarton that are listed locally, these units are c.108 sq m (1,163 sq ft). These units are available locally and did not appear in the original market search via CoStar.
- 4.47 There is limited office availability in the East Ayrshire Office Submarket with a total available space of 8,905 sq. m (95,855 sq. ft) (CoStar, October 2020).
- 4.48 Office availability is heavily concentrated in Kilmarnock with 12 of the 15 available offices in East Ayrshire, in Kilmarnock with the remaining 3 located in Cumnock (Full list in Appendix C).

Table 4: East Ayrshire Office Availability

Size (Sq. M)	No of Units
Up to 200	9
200-500	3
500-1000	1
Above 1,000	2

Source: CoStar (2020)

- 4.49 It should be highlighted that c.4,277 sq. m (c.46,000 sq. ft) of available space is the new build office space at Hurlford Street, Kilmarnock which forms part of the development taking place under the HALO project. The other space above 1,000 sq.m (10k764 sq. ft) available is a 1,858 sq. m (20,000 sq. ft) former mill at Lawson Street, Kilmarnock (CoStar,2020).
- 4.50 For both Office and Industrial space, the provision of modern space is extremely limited with some refurbished space at 30-38 John Finnie Street. The majority of space available in both sectors was built before the year 2000 with the exception of the office property at 21 West Langlands St, Kilmarnock (built in 2010) (CoStar, 2020). The provision of suitable land and accommodation in the industrial/manufacturing sector is something that the Ayrshire Growth Deal's (AGD) AMIC aims to address. With modern facilities, digital infrastructure is key and should be a key consideration going forward to ensure that occupier expectations for fibre connectivity can be met.

Conclusions

- 4.51 The smaller sites, under 1 ha to 2.5 ha, are well distributed across East Ayrshire. Many of the larger sites are located in Kilmarnock however, this is to be expected given the extent of existing activity in Kilmarnock and the opinion of the market. Often, the demand for business space within certain locations is driven by the desire to live and work in close proximity therefore, it is important to maintain a supply of sites

throughout East Ayrshire. Kilmarnock will always dominate due to the size of the population and its connectivity to the Scottish Central Belt.

- 4.52 Larger sites in other locations such as Rural areas are far less likely to attract occupiers or investors which is indicated by a lack of existing availability or activity in the markets. The inclusion of such sites distorts the overall view of the land supply in East Ayrshire as there appears to be a generous allocation of land for development however, it is unlikely that these sites will attract significant activity. A way to utilise these sites would be to market them more heavily towards industrial uses such as those involving chemicals such as waste processing or may create noise pollution rather than to remove them from allocation under LDP2. In order to create more interest in these sites, infrastructure improvements be of use to ensure they are 'shovel ready' for development.
- 4.53 It has been identified that the majority of employment land supply is located within Kilmarnock however, there are some established uses in smaller towns such as Cumnock; which has office and industrial availability. Overall, there is a lack of supply of existing buildings for both industrial and office space outside of Kilmarnock. As indicated by market availability and take-up of space in East Ayrshire, there is little interest from occupiers, developers or investors to create new stock and therefore, if activity is to take place, public sector intervention is likely to be required as Private Sector developers and investors will not find these sites financially or economically viable to develop.
- 4.54 A review of the strategic sites identified for potential use in the AMIC project require review as not all will be suitable. The site at Moorfield presents the strongest opportunity for the project and are the most likely to attract inward investment. If the constraints of the sites at Meiklewood/Mossie, Kirklandsie and the land between the A71 and A76 can be overcome they could be suitable development sites for AMIC.
- 4.55 For LDP2, the identification of strategic sites that are well-connected to services and major transport routes is key to attracting development and investment to East Ayrshire. If sites are well-located and already offer connectivity, they will be more attractive as existing services will help to reduce initial cost outlay and timelines for development. Identification of new strategic sites should consider the success of others such as Moorfield and Rowallan Business Park that are well connected to the strategic road network. As Kilmarnock has been shown to be the preferred location for the majority of business activity, strategic sites should be located within or close to existing activity in Kilmarnock. The Ayrshire Growth Deal (AGD) is making significant investment in areas of East Ayrshire and there is an opportunity to identify viable sites within these areas as part of LDP2. Allocation of such sites could provide opportunities for expansion of AGD development or allow for business to strategically establish itself alongside AGD activity.
- 4.56 As part of LDP2, further refinement of the way in which allocated sites are identified would allow for a clearer picture of land available to develop in East Ayrshire. As previously mentioned, a number of well-located sites are fully developed with established tenants and do not offer further development opportunity at present. The occupancy of any site is subject to change and therefore, the site could present opportunity for development in the long run. Creating an allocation category or colour coding within the

new LDP to signify that a site is currently in use/occupied would be useful from a developer or investor perspective as it would allow them to more accurately gauge the opportunity presented by a site.

5. Consultations

- 5.1 Avison Young prepared a questionnaire in conjunction with East Ayrshire Council to consult with local businesses which was distributed by East Ayrshire Council to business occupiers. These consultations took place in October 2020, when the UK economy was experiencing a major downturn as a result of the Covid-19 Pandemic and the resultant restrictions put in place by the UK and Scottish Governments. This has undoubtedly impacted the level of response, particularly from industrial occupiers however, those who did respond provided important insight to help inform this review.

Business Survey

- 5.2 A survey of business property owners in East Ayrshire was undertaken that sampled occupiers across a range of locations and businesses. A copy of the survey questions is available in Appendix E. There were 82 returned and completed surveys. Of the respondents, 23% were business occupiers who would typically occupy office space, 7% industrial and logistics occupiers, 30% were in retail and 39% categorised themselves as 'other'.
- 5.3 The intention of the survey was to provide an insight into the perceived issues or constraints with existing business premises from an operator perspective and to gauge potential demand for business space in East Ayrshire.
- 5.4 To ascertain the size and scale of potential demand, respondents were asked if their business was:
- A Headquarters
 - Branch
 - Sole premises
 - Other

The majority of respondents were sole premises (67%) indicating that they are a small business or local operator occupying one premises. 22% were headquarters; the main or head office of a business. 7% were a branch of a business with multiple locations and 4% were categorised as other.

- 5.5 Respondents were asked whether they owned or leased their properties, this question was asked as it could give an indication of activity within East Ayrshire's leasing market. The response was fairly even, with 44% owning their premises and 56% leasing.
- 5.6 A series of questions that covered property satisfaction were put to respondents, with the options to answer

- Good
- Satisfactory
- Poor

The responses were then scored as follows to determine a mean score for each category:

- Good = 2
- Satisfactory = 1
- Poor = 0

Table 5: Property Satisfaction

Property Attribute	Mean Score
General Location	1.46
Size of Premises	1.40
Accommodation	1.35
Transport Links	1.35
Parking Provision	1.11
Security Services	1.16
Image	1.02
Energy Efficiency	0.94

- 5.7 Table 5 shows the mean score for each question which indicates the average level of satisfaction with the property attribute. General location and size of accommodation are high scoring, with 1.46 and 1.40 meaning occupiers believe that their locations and accommodation sizes are generally good. Accommodation and transport links also achieved a score beyond satisfactory which is positive as transport connections are a key factor for many developers and occupiers when considering a site or location to occupy. Parking provision scored a little above satisfactory however, this is a common area for dissatisfaction and is not necessarily unique to East Ayrshire. Image and energy efficiency were the lowest scoring property attributes with image scoring only just above satisfactory. The score for energy efficient indicates a general dissatisfaction by occupiers.
- 5.8 Occupiers were also given the opportunity to add additional comments to expand on their responses to each property attribution. Multiple occupiers commented that the age of their buildings mean they they are not energy efficient with one stating that due to the listed status of the building, they are unable to change this. This reflects the low energy efficiency score and may be an area for consideration for any new development of business space given the Scottish Government's Net Zero Carbon goals. Another issue highlighted by respondents was that smaller, local businesses struggle to buy their own space with one respondent in the industrial sector stating there are a lack of affordable options, made worse by a lack of supply which has allowed landlord and owners to hike up prices in both the leasing and sale markets. A full copy of respondent comments can be found in Appendix F.

- 5.9 Respondents were asked if they were considering relocating from their premises with the results outlined in Figure 10.

Table 6: Relocation Results

Response	No. of Respondents
Possibly	21
No	36
Don't Know	9
Definitely	16
Total	82

Of the 82 respondents, 36 were not considering relocating with 21 answering possibly, 9 don't know and 16 definitely. This is reflective of the responses to the property satisfaction questions where there was a mix of both positive and negative responses.

- 5.10 The respondents that answered 'definitely' or 'possibly' when asked if they would consider relocating were then asked a number of questions regarding when they would look to relocate, whether they would prefer to lease or purchase a new premises and if they would look to relocate within East Ayrshire.

Table 7: When Might You Move?

Time Period	No. of Respondents
After 12 months	4
In the next 12 months	22
don't know	11
Total	37

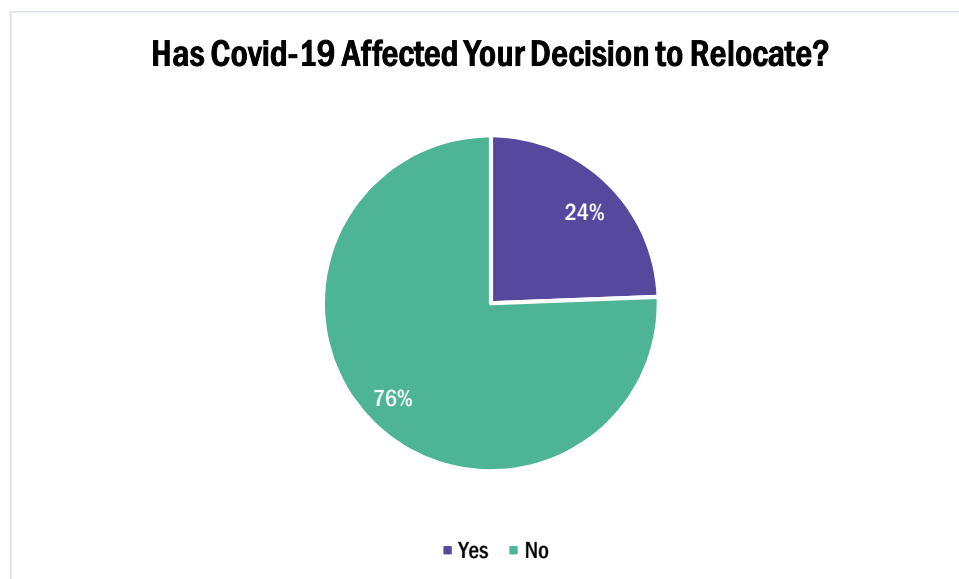
Table 8: Would You Prefer to Lease or Purchase Your new Premises?

Lease/Purchase	No. of Respondents
Lease	20
Purchase	13
-	4
Total	37

- 5.11 22 of the 37 respondents stated that they would look to move premises within the next 12 months, 4 after 12 months and 11 didn't know.

- 5.12 When asked whether they would prefer to lease or purchase a new property, the majority stated they would prefer to lease (20), 13 stated they would prefer to purchase and 4 did not answer.

Figure 12: Covid-19 Impact on Relocation



- 5.13 from figure 11, it can be seen that the majority of respondents stated that Covid-19 had not had an impact on their decision regarding relocation. For the 24% that responded Yes, the impact of Covid-19 was mixed positive and negative with some occupiers looking to expand due to increased trade while others were looking to work from home due to uncertainty over access to spaces due to restrictions.
- 5.14 In the context of Covid-19, respondents were asked when/if normal market activity were to resume, they would consider an expansion of their operations. 52% of respondents answered yes, 23% don't know and 26% no. This can be seen as a positive response, indicating that businesses within East Ayrshire are looking to grow and expand.
- 5.15 Occupiers who had indicated an intention to relocate were asked whether they would look to relocate within East Ayrshire or elsewhere. Of the 37 respondents, 70% responded that they would look to stay within East Ayrshire while 11% answered 'don't know/no preference'. Those who stated they would look to relocate outside of East Ayrshire or answered 'don't know/no preference' were asked to give commentary to explain why they would not remain in East Ayrshire. The reasons for looking to relocate outside of East Ayrshire included: lack of digital infrastructure and a lack of affordable units for small to medium industrial businesses that were available in neighbouring areas. One industrial respondent stated that though their preference was to remain in East Ayrshire, they felt that there was a lack of availability for small occupiers within the 1,000-5,000 sq. ft (93-464 sq. m) size range. A full list of the comments is available within the Appendix (G).

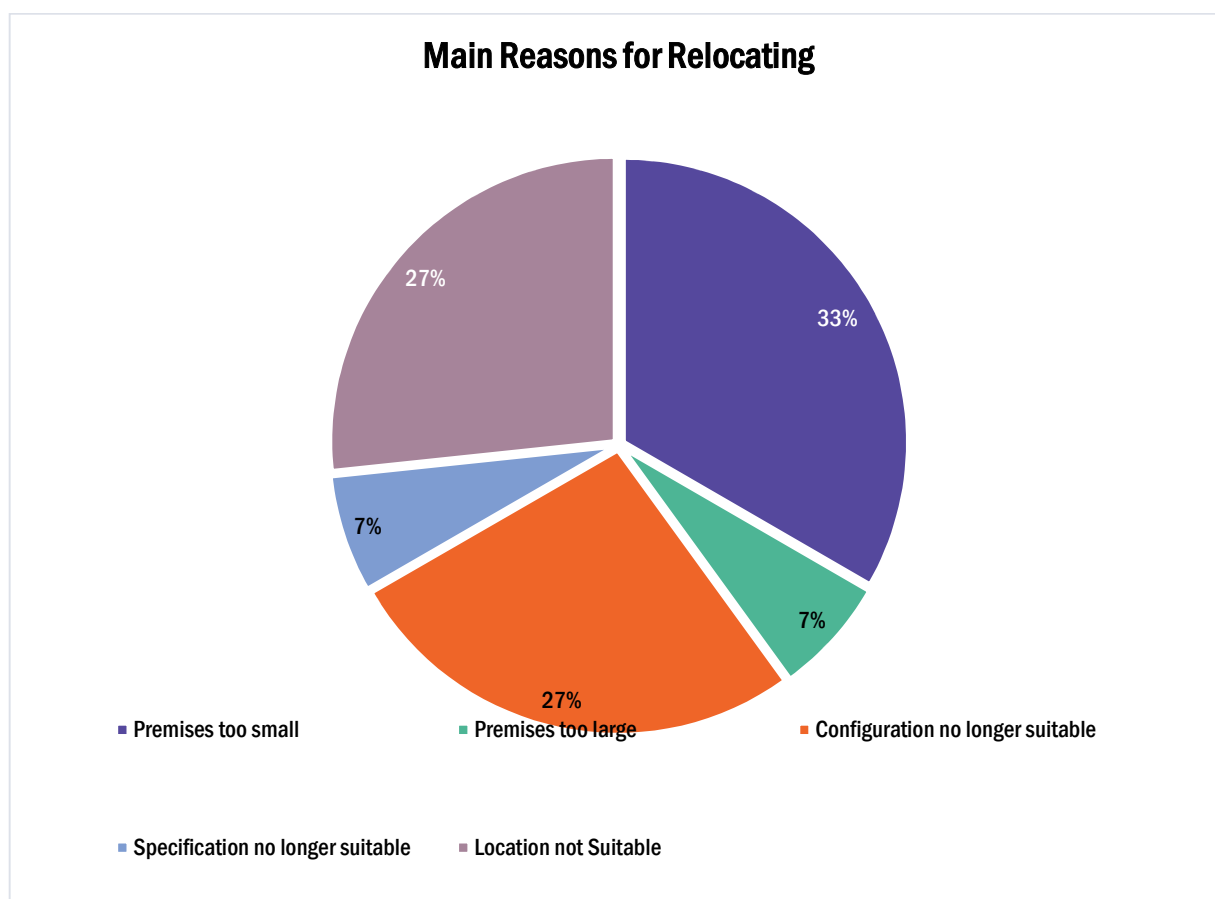
Sq M Size Range	No. of Respondents
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0-100	6
100-200	9
200-300	1
300-400	0
400-500	2
500-1000	0
1000-2000	0
over 2000	2
Total	20

Table 9: Preferred size of new premises

- 5.16 The respondents who were considering relocation were asked what size of premises they would prefer to relocate to in square metres or square foot, all answers were then converted to sq. m 20 respondents answered, with the majority looking to relocate to premises smaller than 500 sq. m (5,380 sq. ft) with 2 looking for options over 500 sq. m (5,380 sq. ft). Of these occupiers, 10 were business occupiers (typically occupying office accommodation), 2 were industrial & logistics, 5 retail and 3 were other.
- 5.17 The total space required by occupiers was 50,994 sq. m (548,895 sq. ft) from 20 occupiers. A significant amount of this space was from Industrial occupiers at 27,981 sq. m (301,185 sq. ft) with 1,595 sq. m (17,168 sq. ft) from business occupiers. One industrial occupier stated a potential requirement for 300,000 sq. ft (27,871 sq. m) which skewed the results. Of the 10 business respondents, all space requirements were below 500 sq. m (5,382 sq. ft) with the majority 200 sq. m (2,153 sq. ft) or below. The other respondents accounting for the remaining 219,839 sq. ft (20,424 sq. m) were classed as 'Other' and some of this space will likely fall into industrial and office space demand.

Figure 12: Reasons for Relocation



5.18 Figure 15 illustrates respondents' reasons for relocation. It can be seen that 33% of respondents were moving because their current premises are too small with only 7% looking to downsize. Many respondents were also looking to relocate as the configuration of their current premises was no longer suitable with others stating the location was no longer suitable.

5.19 Respondents were asked whether they would look to relocate outside of East Ayrshire, were they to move, with the option to expand on their answer. 74% of respondents wanted to relocate within East Ayrshire with 14% looking to relocate outside of East Ayrshire and 11% answering don't know/no preference. There was no general trend that could be identified as many looking to relocate outwith East Ayrshire did not have a preference as to where they would move to.

5.20 Some of those who wanted to relocate outside of East Ayrshire or had no preference noted that there was a lack of digital infrastructure within East Ayrshire to support their operations whilst others stated that they felt there was a lack of good quality, affordable office and industrial space for small to medium businesses that was available in areas outside of East Ayrshire.

5.21 When asked if they have found space sufficient to their relocation needs in East Ayrshire, only 9 of 36 respondents answered yes with the remaining 27 stating they had not found suitable available space. Those who has responded no echoed earlier comments regarding a lack of affordable office and industrial space for smaller businesses/start-ups.

Conclusions

- 5.22 The survey of business occupiers generated a good response rate however, the number of industrial occupiers was low at 7% of the respondents with the majority of respondents being retail occupiers and 'other' occupiers, some of which may occupy office or industrial space. This limited the ability of the survey to specify the satisfaction of individual sectors with their property.
- 5.23 Overall, occupiers were satisfied with the location, size and accommodation of the premises they occupy but were less satisfied with the overall image and energy efficiency of their property. This can be linked to comments from respondents regarding a lack of modern and good quality accommodation in East Ayrshire and was also highlighted in the earlier market availability search.
- 5.24 A number of occupiers were looking to relocate with a potential demand of 50,994 sq. m across the respondents. The majority of those looking to relocate would prefer to do so within East Ayrshire which reflects a positive demand to stay in the area. Few respondents specified where they were looking to relocate with those that did stating Glasgow, North and South Ayrshire as potential locations.
- 5.25 Despite many respondents wanting to remain in East Ayrshire, many had not been able to find suitable accommodation for their needs across the business and industrial sectors. There were a number of responses stating that there was a lack of affordable space for smaller occupiers. The provision of affordable space should be reviewed alongside flexible size provisions as, if occupiers cannot identify space to suit their needs within East Ayrshire, they will be forced to look elsewhere despite having a desire to remain in the area.
- 5.26 Though there were fewer industrial respondents, those that did offered useful commentary regarding the provision of industrial space within East Ayrshire and accounted for a significant portion of potential demand for space. It was generally felt that East Ayrshire was lacking smaller sized, modern industrial units that were also affordable. Ensuring an adequate provision of smaller industrial units should be considered for future development alongside those for larger occupiers as there appears to be local demand for such space. The AMIC projects aims to provide space for start-up and small businesses within the manufacturing sector and the development of Moorfield Phase 2 looks to develop flexible, high quality space in the light manufacturing and engineering sector. Though these projects are sector specific, they may be able to provide space to meet some of the industrial demand from occupiers however, affordability will be an important element to consider. The industrial market search in section 3 was able to identify some smaller units on the market however, they may not be suited to the requirements the industrial respondents.
- 5.27 Of the potential demand for space identified, a small proportion of this was from business occupiers who are typically occupiers of office space, totalling 1,595 sq. m over 10 respondents. Though there is office accommodation available in East Ayrshire within the size requirements of respondents, the majority of this is low quality, older stock and therefore may not be suitable for these occupiers. The HALO and NERD projects include development of modern office space for smaller businesses/start-ups however, these projects have specific sector focuses and may not be able to accommodate all types of demand.

- 5.28 There appears to be good demand for space across the many property sectors in East Ayrshire. Though not all demand for space highlighted within this exercise will result in a property transaction, the results are indicative of potential future local demand for East Ayrshire and identifies where there is a need for modern development. The majority of respondents' answers regarding demand were generally positive which bodes well for local business activity in future.

6. Review of Demand

- 6.1 There are a number of indicators of demand for land and business and industrial accommodation. Historic trends are examined within this section, but Covid-19 may have a significant impact on future trends and we will examine these further within section 7. This chapter will set out to identify possible trends through a review of historical transactions and planning applications.

Property Transactions

- 6.2 Transactions in East Ayrshire over the previous 12-month period from January 2019 to January 2020 will be reviewed by property type, size, location, rental/sale price and tenure. The timeframe for property transactions is reflective of the East Ayrshire market before the outbreak of the Covid-19 epidemic that adversely impacted the economy and saw property transactions fall significantly across the United Kingdom.
- 6.3 In total, over a 1-year period, there were 38 industrial and office transactions in East Ayrshire and comprised of: 10 industrial lettings, 8 office lettings, 19 industrial sales and 1 office sale (CoStar, 2020). The total take-up of space was 21,022 sq. m (226,280 sq. ft) with industrial take-up at 19,063 sq. m (205,190 sq. ft) and office take-up at 1,959 sq. m (21,090 sq. ft) (CoStar, 2020).

Industrial Take-Up

- 6.4 There were a total of 29 industrial transactions from 2019 to 2020 of which, 79% (23 deals) took place in Kilmarnock with 10% (3 deals) in Darvel and the remaining transactions in New Cumnock, Darvel and Mauchline (1 deal in each town) (CoStar, 2020). This is expected as Kilmarnock is where the majority of business and industrial activity in East Ayrshire takes place. It should be noted that 13 of the 19 industrial property sales were sold as part of a 30-property portfolio of properties across Scotland (CoStar, 2020) and therefore the transactions may not be reflective of actual demand for industrial space within East Ayrshire.

Table 10: Industrial Transactions January 2019 - January 2020

Size Range (Sq. M)	No. of Transactions
0-100	2
100-200	7
200-300	0
300-400	4
400-500	1
500-1000	9
1000-2000	5
over 2000	1
Total	29

Source: CoStar (2020)

- 6.5 The properties transacted covered a wide range of sizes, as outlined in Table 9 above. The size ranges where the largest number of transactions took place were the 500-1000 sq. m (5,382 – 10,764 sq. ft) and 100-200 sq. m (1,067-2,153 sq. ft) size ranges.

Office Take-Up

- 6.6 9 office deals took place from January 2019 to January 2020, the majority of these were lettings with 1 sale. Every office transaction took place in Kilmarnock which is, again, to be expected.

Table 11: Office Transactions January 2019 – January 2020

Size Range (Sq. M)	No. of Transactions
0-100	6
100-200	0
200-300	0
300-400	1
400-500	0
500-1000	2
1000-2000	0
over 2000	0

Total	9
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Source: CoStar (2020)

- 6.7 The table above shows the size range of office transactions, with the majority being for small office space with some medium transactions. 3 of the small lettings took place in the coworking space at 30-38 John Finnie Street, a site allocated within the EALDP and in operation as a business centre. 6 of the office lettings were for space under 100 sq. m (1,076 sq. ft) (CoStar, 2020).

Planning Applications

- 6.8 To gain a better understanding of the level of business and industrial activity in East Ayrshire, planning application data from 2013-2020 was assessed in terms of type, scale and location of proposals. There were a total of 137 applications that related to all forms of business and industrial activity and included those applications that had either been withdrawn or refused.
- 6.9 To provide a more accurate review of proposed activity, the list of applications was refined to exclude uses that did not constitute a significant business or industrial development and those applications that were withdrawn or refused. Some of the applications that were excluded related to: kennels or catteries, equestrian activities, minor works/modifications to properties and change of use applications relating to a use class outside of business and industrial use classes. There were 7 applications rejected and 11 applications withdrawn leaving 111 approved applications.
- 6.10 Of the 111 approved applications, 96 were significant in terms of business and industrial use. Applications can be separated into "Local" and "Major" applications with local referring to applications covering a floor area of less than 10,000 sq. m (107,639 sq. ft) and major applications referring to applications where the floor area exceeds 10,000 sq. m (107,639 sq. ft). All of the applications reviewed were classes as "local" with no applications between 2013 and 2020 classed as major applications.

6.11 The number of local applications per settlement are listed below:

Table 12: Planning Applications by Settlement

Settlement	No. of Applications
Dunlop	1
Old Glasgow	1
Fenwick	1
Darvel	1
Crosshouse	1
Catrine	1
Kilmaurs	1
Drongan	2
Lugton	2
New Cumnock	2
Newmilns	2
Ayr	3
Hurlford	3
Auchinleck	3
Cumnock	5
Galston	5
Stewarton	6
Mauchline	10
Kilmarnock	46
Total	96

6.12 As can be seen in table 12, the majority of applications were in Kilmarnock with a total of 46 applications between 2013-2020. This is to be expected as Kilmarnock has the highest population of East Ayrshire and already has some established business and industrial activity that would attract new development. Though 96 applications may appear to be a healthy number, the applications are all local in nature meaning they relate to smaller development. Included within these applications are minor works such as erection of storage sheds and small-scale extensions to existing buildings.

6.13 Of the 96 applications, 52 were for Business use, 17 for Storage and Distribution and 27 for General Industry use. Within Kilmarnock, there were a number of proposals submitted for the erection of new General Industry units, the largest of which was 2,644 sq. m (28,460 sq. ft). Within the applications for Business use in Kilmarnock there were a number of small-scale change of use applications for offices and extensions or replacements of existing business premises.

Conclusions

- 6.14 The transaction market in East Ayrshire is fairly subdued in the level of activity overall, with only a small number of transactions taking place from 2019-2020. Almost all activity in both the industrial and office markets took place in Kilmarnock. As covered in section 3, the majority of office and industrial space available on the market is also in Kilmarnock; this will affect the take up for other areas of East Ayrshire as a lack of supply will mean a lack of transactions. However, this does not mean that there is necessarily demand for accommodation outside of Kilmarnock as, during the public sector consultation in section 4, Kilmarnock was seen to be the most desirable location for occupiers.
- 6.15 Kilmarnock benefits from better connectivity and a higher population than other towns in East Ayrshire which contribute to occupier demand alongside the fact that there are a number of established businesses located in the town. It is unlikely that the preference for Kilmarnock will change which is reflected in the number of planning applications for business and industrial development being overwhelmingly concentrated in Kilmarnock.
- 6.16 There have been no "major" planning applications within the period of 2013-2020 which suggests that there is little demand for large scale developments from the private sector. There are, however, a number of significant business and industrial developments with public sector funding taking place in East Ayrshire such as the HALO project that would constitute a "major" development in size and scale. It is hopeful that these developments will be a success and lead to an increased interest for private sector development and investment.
- 6.17 It is positive that the number of applications approved far exceeded those rejected and though all applications were classes as "local", the number submitted indicates that there is local demand for business and industrial development/activity in East Ayrshire on a smaller scale. This is supported by the public sector consultation highlighted a demand for both business and industrial accommodation between 1,000-5,000 sq. ft (93-465 sq. m).

7. East Ayrshire in Context

- 7.1 This section will provide an analysis of the land and property markets within East Ayrshire, with a focus on Kilmarnock; where the majority of business and industrial activity takes place and with the largest

population in East Ayrshire. This information will then be benchmarked against other areas in Scotland of a similar size with the local economy and property markets key points for analysis.

- 7.2 The table below sets out demographic data and sets East Ayrshire in context with Scotland and with Falkirk, North Ayrshire and West Lothian. These council areas were selected for comparison as they are of a similar size, to and share similar characteristics to East Ayrshire and have a similar location; adjacent to larger cities and within the Central Belt.

Table 12: Demographic and Statistical Context

		Scotland	<i>East Ayrshire</i>	Falkirk	North Ayrshire	West Lothian
Demographics:	Population	5.46 million	122,010	160,890	134,740	183,100
	Change		0.10%	0.30%	-0.40%	0.50%
	Net migration		430	730	90	710
	In migration change		3.20%	4.70%	0.8%	6.20%
	Out migration change		-2.80%	-2.60%	-0.30%	4.30%
Employment:	Employment rate	74.80%	74.3%	74.1%	70.5%	77.8%
	unemployment rate	3.5%	4.5%	3.7%	5.3%	2.9%
	Employment change since 2009	2.80%	7.10%	-1.70%	1.20%	5.10%
Skills	School leavers into Higher/Further Education	67.60%	73.20%	59.60%	70.40%	68.70%
	School leavers into Employment	22.90%	17.40%	30.40%	19.30%	21.90%
Land	Total derelict and urban vacant land (area) 2019	10,926 ha	1,801 ha	258 ha	1,187 ha	343 ha
	% change in total derelict and urban vacant land 2013 - 2019	-3.00%	413.00%	49.00%	-12.00%	-29.00%
	% change in total urban vacant land (by total ha) 2013-2019	-16%	-2%	-24%	-21%	-39%
	% change in total derelict land (by total ha) 2013-2019	1%	510%	119%	-10%	-28%

Sources: National records of Scotland Council Area Profiles (2019), Scottish Government Statistics: Attainment and Initial Lavers Destinations (no.2, 2020 edition), Annual Population Survey (2019), Scotland's Labour Market Annual Population Survey (2019), Scottish Vacant and Derelict Land Survey (2019)

- 7.3 From table 11 we can see that East Ayrshire performs well in the number of school leavers entering higher/further education at 73.20% against the Scottish total of 67.60%. East Ayrshire's employment rate is in line with the Scottish average and is generally similar to that of the comparable council areas. The 10-year percentage change in employment level is positive and above both the Scottish average and those of the comparative areas.
- 7.4 East Ayrshire has a positive net migration with an increase in in-migration and a fall in out-migration however, this, and the general population increase is low overall. Despite an increase in employment, East Ayrshire's unemployment level is above the national average and above the rates for Falkirk and West Lothian.
- 7.5 The amount of derelict and urban vacant land increased in the period from 2013-2019 by 413% which is far above the Scottish average of -3%. As can be seen in table 11, there has been a significant increase of derelict land in East Ayrshire at 510%. Historically, East Ayrshire has suffered from industry closures and it should be noted that much of the increase in derelict land can be attributed to opencast mine closures that resulted from the liquidation of Scottish Coal and ATH Resources in 2013. The total size of the derelict opencast coal sites in 1,240 ha (Scottish Vacant and Derelict Land Survey, 2019), leaving 561 ha which remains higher than the derelict land in Falkirk and West Lothian. More positively, there was a 2% decrease in the amount of urban derelict land in East Ayrshire; the majority of development activity in East Ayrshire has taken place in town centre locations such as Kilmarnock.
- 7.6 Table 12 below sets out East Ayrshire's office and industrial market in context with the similar council areas. It details the total stock available (as of October 2020), the Market vacancy rate, total take-up (Jan 2019 – Jan 2020) and the average rent market rent.

Table 13: Property Market Context

Measure	East Ayrshire	Falkirk	North Ayrshire	West Lothian
Industrial				
Total stock (sq m)	437,201	720,001	491,178	1,640,327

Vacancy rate	2.70%	6.80%	4%	7%
Take-up (sq m)	19,063	16,563	32,980	142,349
Rent (highest rate/sq m)	£43	£52	£41	£61
Office				
Total stock (sq m)	52,583	142,621	68,562	224,010
Vacancy rate	7.10%	4.40%	11%	6%
Take-up (sq m)	1,959	14980	4,295	21,725
Avg market rent (per sq m)	£113	£117	£97	£116

Source: Costar (2020)

7.7 East Ayrshire has the lowest level of industrial stock of the council areas however, this refers to the overall stock including those premises that are currently occupied and when the vacancy rates are compared, East Ayrshire has the lowest level of vacancy in its industrial market meaning that it has less empty properties than the other areas. Industrial average rent is £43/sq m which is lower than those for Falkirk and West Lothian but above that for North Ayrshire.

7.8 The office market in East Ayrshire has less total stock than the other areas with the second highest vacancy at 7.10% which is reflected in the 2019-2020 take-up of office space which is also lower than that for the other comparable areas. The average market rent for office space in East Ayrshire is lower than Falkirk and West Lothian but is above that for North Ayrshire.

Conclusions

7.9 East Ayrshire has the lowest total industrial and office stock when compared with Falkirk, North Ayrshire and West Lothian. However, when looking at industrial vacancy rates, East Ayrshire has the lowest level of the four settlements meaning that it has the lowest level of empty industrial properties. There is a good amount of industrial space in East Ayrshire with a mixture of older and modern stock. The industrial take-up for East Ayrshire is lower than that for North Ayrshire and West Lothian however, this could be attributed to a lower level of overall stock and a lower vacancy rate meaning that there is less space available in the market. Average industrial rents for East Ayrshire are below those for Falkirk and West Lothian but above that for North Ayrshire. Falkirk's Grangemouth area is an established location for the petrochemical industry alongside having an active cargo port servicing much of Scotland and West Lothian also has a strong logistics market with many food and drink producers and distributors; this would create demand for industrial space allowing for higher rents per sq. m to be achieved.

7.10 In terms of the office market, East Ayrshire performs poorly with the lowest level of take up and the lowest overall stock against a vacancy higher than that for Falkirk and West Lothian but below that for North Ayrshire. A lower level of office stock with a high vacancy rate may be indicative of a lack of demand for office space. As highlighted in section 3, there is a lack of modern office properties in East Ayrshire which could deter occupiers looking for high quality premises. West Lothian is more centrally located with a number of out of town office developments and Falkirk has a number of public sector and public service

operators based in the area with connectivity to both Edinburgh and Glasgow. These will contribute to the greater take-up and lower vacancy rates in these areas.

8. Key Findings and Recommendations

General Commentary

- 8.1 The full impact of the Covid-19 pandemic on the UK economy has yet to be fully realised but there have already been a number of trends emerging which should be considered by the Council when developing future policy in connection to Business and Industrial Land Supply. These trends include:
- Structural Change in the retail sector – With online shopping increasing, many ‘brick and mortar’ retailers have either gone into administration or have significantly scaled back their traditional high street footprint. It is here that opportunities may arise for local authorities to re-imagine town centres with an increased emphasis on leisure, office and residential use that encourages people to live, work and play in their local area.
 - Environmental sustainability – The need to reduce our carbon footprint combined with the increase in working from home has called into question the need for long commutes on a daily basis. Whilst it should be stated that there is still a need for offices to foster co-working and learning relationships, the need for a full-time staff presence may be reduced as employers become increasingly flexible regarding where their employees work. This may lead to smaller office floor plates or decentralised serviced offices where those who cannot work from home can work locally or for collaboration to take place between employees. Such offices can offer centralised support and stronger data capabilities.
 - Quality of life – the pandemic has caused many households to question the adequacy of their existing accommodation with the property market seeing greater interest in areas offering a better quality of life with good access to green space and leisure facilities. East Ayrshire is well endowed with such assets, the availability of which can be used to attract new investors.
 - Hyperlocality – The structure change in the retail sector has had knock on implications for the logistics sector with increased demand for ‘last mile’ distribution centres from logistics companies eager to fulfil the increase in online shopping orders and better serve local populations. This could create opportunities for East Ayrshire to provide space for such depots to service local demand.
- 8.2 To conclude, whilst Spatial Strategy to ensure there is an adequate supply of Business and Industrial Land is important, when forming overarching policies within LDP2, such as Placemaking and Town Centre policies, the Council should consider these emerging trends. Prioritising investment in East Ayrshire will improve the areas competitiveness for both existing local business and inward investors.

- 8.3 The following section will outline the key findings of the exercise to review East Ayrshire's business and industrial land and offer a number of recommendations that aim to inform economic development strategy and the second Local Development Plan (LDP2).

Key Findings

- 8.4 The economy of East Ayrshire has been impacted by years of industrial decline that saw the closure of many large factories that contributed to both the local economy and local employment. The outbreak of the Covid-19 Pandemic in 2020 had an unprecedented impact on the UK economy overall, effectively bringing markets to a halt and has inevitably impacted East Ayrshire however, with news of a vaccine in November 2020, the impact of Covid-19 may be relatively short-term. The business survey undertaken in section 4 saw the majority of business respondents state that Covid-19 has not affected their decision making.
- 8.5 As traditional industries have declined in East Ayrshire, the public sector has become the most significant employer. This could become a cause of concern as diverse economies generally perform better.
- 8.6 The property market in East Ayrshire is subdued compared to other similar Council areas in Scotland, with few transactions taking place and few properties of a modern quality available on the open market. However, the HALO project in Kilmarnock offers new imaginative workspace solutions in close proximity to the new college campus and the town's railway station; the progress of this project will be monitored with interest. There is also continued activity in the industrial sector, with new development taking place in the established Moorfield Industrial Estate indicating that there is demand for space.
- 8.7 There is a lack of supply of quality office space in East Ayrshire, with little availability outside of Kilmarnock and a lack of modern space. Whilst HALO project will increase the provision of modern office accommodation it has a focus on specific sectors, and therefore it may not address all demand. The business survey undertaken in section 4 saw that respondents felt that there was a lack of good quality, affordable office space within East Ayrshire that was available in other areas. This could force occupiers to relocate outside of East Ayrshire despite an expressed desire to remain located in the area.
- 8.8 There are a number of public sector funded development projects taking place in East Ayrshire, mainly focussed on Kilmarnock. These projects can provide opportunity to diversify the local economy within East Ayrshire with NERD, HALO and AMIC providing opportunity for businesses in the Technology, Fashion, Manufacturing and Food & Drinks sectors to develop. This public sector intervention is required due to market failure with subdued demand and low rental levels compared to other parts of Scotland deterring the private sector in developing and investing to a significant scale in East Ayrshire. These projects and the subsequent business development they create should improve the perception of East Ayrshire as a location for business and industry and encourage greater private sector interest.
- 8.9 A review of the allocated sites under the LDP show that there is a good spread of sites across size and location, with the greatest number of sites and proportion of land being in Kilmarnock. This is to be

expected as Kilmarnock has been shown to be the focus of transaction activity and availability throughout this review as well as being the location focus for upcoming development projects by the public sector. The proportion of allocated land in Kilmarnock is therefore fair under the LDP as demand is not even across East Ayrshire and allocation should concentrate on areas where demand will be the greatest.

- 8.10 The site assessment has shown that a number of sites have now been completely or partially developed or were in occupation by a tenant at the time of review. These sites varied in location as well as size and scale of development and accounted for 15 of the 56 total allocated sites. These sites currently present no further opportunity for development though this may change over time.
- 8.11 The assessment of strategic sites identified that Rowallan Business Park and Moorfield Industrial Estate offer the greatest opportunity due to their location, connectivity and the extent of existing development that has shown the sites to be a popular business location.
- 8.12 A review of potential sites to be involved in AMIC again found that Moorfield Industrial Estate was most suitable for development due to its established industrial use, well-connected location and the level amount of available land.
- 8.13 The Business survey identified that there was a potential demand of 1,595 sq. m (17,168 sq. ft) from business occupiers and 27,981 sq. m (301,183 sq. ft) from industrial occupiers. This will not necessarily result in transactions but is a good indicator of demand in East Ayrshire. Occupiers had an overall preference to remain in East Ayrshire, particularly Kilmarnock, across sectors however, some felt that they could not find accommodation within East Ayrshire that suited their requirements and that this was forcing them to look outside of East Ayrshire.
- 8.14 When comparing to similar settlements, East Ayrshire generally performed below the areas of East Lothian and Falkirk but above North Ayrshire. However, East Ayrshire's Industrial market has a low vacancy rate meaning a low level of vacant space on the market. The industrial take-up rate was also low which may be reflect of a lack of available/suitable space rather than a lack of demand from occupiers. This again raises that there is a requirement for further industrial space in East Ayrshire as emerged in the business survey.
- 8.15 Though East Ayrshire had low levels of office stock, there was a high vacancy rate when compared to Falkirk and East Lothian. The available office accommodation in the East Ayrshire market is older and of lower quality than expected by occupiers; this was also noted in the business survey. If there is an insufficient supply of suitable office accommodation in East Ayrshire, occupiers may look outside of East Ayrshire.

Recommendations

- 8.16 There are a number of key recommendations identified from this review exercise that will be outlined below.

- 8.17 The review of available properties in East Ayrshire highlighted that there was a lack of modern, well-connected office accommodation. From the business survey, a potential demand for small office space was identified within the 1,000-5,000 sq. ft (93-464 sq. m) size range. Though there will be some modern office accommodation provided as part of the AGD's NERD project and the HALO project, they target specific sectors and therefore a provision of additional office accommodation should be considered. The business centre at 30-38 John Finnie St, Kilmarnock was developed on a site allocated within LDP1, a similar operation could be of benefit to provide flexible office accommodation to small/local business occupiers. It is most likely that demand for such space will be in Kilmarnock and a potential location for such a development could be the former ABC Cinema in Kilmarnock which is centrally located and has had little interest for private sector development.
- 8.18 For any new development, commercial or residential, digital infrastructure will be a key issue as, with increasing presence of online business and working from home, occupiers will require a fast and reliable internet connection. Having strong digital infrastructure will also assist existing businesses in East Ayrshire and increase the area's competitiveness for development.
- 8.19 From undertaking a review of the sites allocated within the LDP, many were occupied, developed or in the process of being developed. Under LDP2, it would be beneficial to review allocated sites and differentiate between sites that are occupied and sites that are vacant. As the occupation of a site is subject to change over time there is a possibility that a site that is occupied may become vacant after publication therefore a label or colour code to identify that, at the time of publication, the site was occupied could suffice. This would allow for a more accurate picture of the allocated land that is immediately available for development as occupation is not accounted for within the Scottish Planning Policy allocations.
- 8.20 The assessment of strategic sites that were identified for potential inclusion in the AMIC project found that the site at Micklewood/Mossie is well-located and presents a large amount of undeveloped land however, it is limited by poor access. If this site is to remain allocated as a Strategic Site, this access and the ability of the surrounding road to cope with the traffic associated with development and industrial use should be reviewed as it will likely be a deterrent for development despite the locational attraction.
- 8.21 It has been established that Kilmarnock is the focus for developers and occupiers alike for business and industrial activity with the majority of public sector development projects taking place within East Ayrshire taking place within Kilmarnock. In order to capitalise upon the development taking place within Kilmarnock, any sites within the development areas should be identified for allocation as it will create opportunity for these projects to 'overflow' and safeguard sites against erosion from non-related development such as residential. East Ayrshire council has already purchased the remaining plots at Rowallan Business Park which will ensure that future development aligns with the goals of LDP2.
- 8.22 Outside of Kilmarnock, there are a number of large sites allocated within the LDP, such as those in rural locations, that are unlikely to attract private sector development. Such sites include; Mauchline Colliery (058M), Barony Colliery (060M), Barony Power Station (059M) and Skares Brickworks (061M). One potential use for such rural sites could be to market them towards uses such as waste processing that

would benefit from an isolated location. However, it is not recommended to invest in any major infrastructure for these sites as there is no guarantee that they will attract development. These sites do not have any strong business and industrial development demand and could be re-allocated as 'miscellaneous' sites. It is important to separate these sites from the allocated business and industrial land supply as these sites are often of a significant size and their inclusion distorts the total land supply figure, making it appear as though there is a large supply of land. Another possible way to amend the allocation of these sites is to create a separate 'Rural' site category where such sites are distinguished as rural development opportunities.

- 8.23 The Covid-19 pandemic saw logistical supply chain issues, and this has impacted the globalisation of trade. As supply chains look to focus on resilience, there is an emerging demand for integration of local and regional logistic hubs (Avison Young, 2020). There may be an opportunity for East Ayrshire's industrial sector, particularly Kilmarnock, to attract such logistical activity. The most significant hurdle to attracting the logistics sector to East Ayrshire has been connectivity to the Central Belt therefore, sites the sites best suited for such use will be those located in close proximity to the strategic road network.
- 8.24 The overall quantity of land allocated, and the number of sites was sufficient however, as previously mentioned many were already developed or occupied and others were unlikely to attract any private sector developer interest, such as the rural sites. If the sites that scored poorly and are occupied or developed in the overall site assessment exercise are de-allocated or re-allocated for non-business and industrial use, then the allocated land supply could be significantly reduced. It is recommended that additional land be identified for business and industrial use allocation. For large sites, the focus should be on Kilmarnock as it is the primary strategic location and the only area that has seen significant levels of interest for development. Outside of Kilmarnock, sites that are located in close proximity to the strategic road network such as Cumnock, which is second in the Settlement Hierarchy. Any sites that are in close proximity to Ayrshire Growth Deal developments will be well placed for future development as they will be able to capitalise on the investment taking place in the area. In the service centre towns, it would be best to identify small sites that can accommodate local business development such as trade counters and retailing.
- 8.25 The business survey highlighted a demand for smaller scale, modern industrial accommodation within East Ayrshire, primarily Kilmarnock. Private sector development is often focussed on pre-let properties to national operators to ensure adequate returns on investment. The success of Glenfield Industrial Estate in Kilmarnock, an estate comprised of small/trade counter style units, indicates that there is demand for smaller space targeted at local occupiers. It would be recommended that such development is encouraged in order to provide opportunity for occupiers at a local level. Again, sites within Kilmarnock will likely generate the most demand.

Appendix A: Full List of Sites for Assessment

ID	Site_Re f	Alloc_Typ	WF_LDP	Settlement	Address	Grn/Brn	Ha
1	006B	Bus/Ind	EALDP	Auchinleck	Templeton Roundabout	Greenfield	6.2
2	007B	Bus/Ind	EALDP	Auchinleck	Barony Road/Highhouse	Brownfield	7.1
4	378M	Misc	EALDP	Auchinleck	Main Street	Brownfield	1.7
5	379M	Misc	EALDP	Auchinleck	School Road	Brownfield	0.4
9	253B	Bus/Ind	EALDP	Catrine	Newton Terrace	Brownfield	0.4
10	254B	Bus/Ind	EALDP	Catrine	Bonded Warehouse	Brownfield	5.2
11	377M	Misc	EALDP	Catrine	Bridge Street	Brownfield	0.07
12	380M	Misc	EALDP	Catrine	Newton Terrace	Brownfield	0.6
14	220M	Misc	EALDP	Crosshouse	Laigh Milton Road	Brownfield	1.6
19	270B	Bus/Ind	EALDP	Cumnock	Cumnock Business Park	Brownfield	5.4
20	271B	Bus/Ind	EALDP	Cumnock	Ayr Road	Brownfield	7.4
21	383M	Misc	EALDP	Cumnock	Caponacre	Brownfield	22.3
15	001MXD	Mixed	EALDP	Cumnock	Glaisnock Glen	Brownfield	3.6
22	078M	Misc	EALDP	Dalmellington	High Street	Brownfield	0.1
26	283B	Bus/Ind	EALDP	Darvel	Campbell Street	Brownfield	0.8
27	285B	Bus/Ind	EALDP	Darvel	Jamieson Rd / Green St	Brownfield	0.9
28	375M	Misc	EALDP	Darvel	Former Co-Op Building	Brownfield	0.1
25	002MXD	Mixed	EALDP	Darvel	East Main Street	Brownfield	1.1
30	293B	Bus/Ind	EALDP	Drongan	Drongan Industrial Estate	Brownfield	0.4
31	294B	Bus/Ind	EALDP	Drongan	Littlemill Road	Brownfield	1.1
39	301B	Bus/Ind	EALDP	Galston	Barmill Road	Brownfield	0.3
40	376M	Misc	EALDP	Galston	Cross Street/Bridge Street	Brownfield	0.0
41	382M	Misc	EALDP	Galston	Bridge Street	Brownfield	0.1
47	303B	Bus/Ind	EALDP	Hurlford	Mauchline Road	Brownfield	14.9
43	117M	Misc	EALDP	Hurlford	Mauchline Road	Brownfield	8.5
51	158B	Bus/Ind	EALDP	Kilmarnock	Moorfield (North)	Greenfield	28.9
52	159B	Bus/Ind	EALDP	Kilmarnock	Moorfield (South)	Greenfield	20.6
53	160B	Bus/Ind	EALDP	Kilmarnock	Moorfield Phase 3	Greenfield	18.8
49	152B	Bus/Ind	EALDP	Kilmarnock	Meiklewood/Mossie	Greenfield	43.3
50	153B	Bus/Ind	EALDP	Kilmarnock	Rowallan Business Park	Greenfield	27.3
62	323B	Bus/Ind	EALDP	Kilmarnock	Glenfield Ind. Estate	Brownfield	14.1
63	324B	Bus/Ind	EALDP	Kilmarnock	Glacier Vandervel	Brownfield	8.7
67	332B	Bus/Ind	EALDP	Kilmarnock	Bonnyton Industrial	Brownfield	9.8
64	326M	Misc	EALDP	Kilmarnock	Titchfield Street	Brownfield	2.7
65	327M	Misc	EALDP	Kilmarnock	West Shaw Street	Brownfield	4.0
66	330M	Misc	EALDP	Kilmarnock	Balmoral Road	Brownfield	4.0
68	370M	Misc	EALDP	Kilmarnock	Armour Street	Brownfield	0.9
69	373M	Misc	EALDP	Kilmarnock	30-38 John Finnie St, 1-5 Dunlop	Brownfield	0.1
70	374M	Misc	EALDP	Kilmarnock	Former ABC Cinema, Titchfield S	Brownfield	0.1
48	003MXD	Mixed	EALDP	Kilmarnock	Ayr Road	Brownfield	14.5
73	030M	Misc	EALDP	Leggate, C Pk. & B C	Bank School	Brownfield	1.2
76	042B	Bus/Ind	EALDP	Mauchline	Station Road Industrial Estate	Brownfield	1.6
82	051M	Misc	EALDP	Muirkirk	Muirkirk Bing Site	Brownfield	10.3
81	004MXD	Mixed	EALDP	Muirkirk	Furnace Rd. Industrial Site	Brownfield	4.2
84	345B	Bus/Ind	EALDP	New Cumnock	Waterside Industrial Estate	Brownfield	1.2
85	346M	Misc	EALDP	New Cumnock	Castle	Brownfield	0.6
89	348B	Bus/Ind	EALDP	Newmilns	Brown Street	Brownfield	11.1
90	381M	Misc	EALDP	Newmilns	Brown Street	Brownfield	0.5
93	352B	Bus/Ind	EALDP	Patna	Ayr Road Industrial Site	Brownfield	11.1
100	359B	Bus/Ind	EALDP	Rural Area	Egger Factory, Barony Road,	Brownfield	17.4
96	058M	Misc	EALDP	Rural Area	Mauchline Colliery	Brownfield	21.4
97	059M	Misc	EALDP	Rural Area	Barony Power Station	Brownfield	9.9
98	060M	Misc	EALDP	Rural Area	Barony Colliery	Brownfield	46.6
99	061M	Misc	EALDP	Rural Area	Skares Brickworks	Brownfield	1.8
107	193B	Bus/Ind	EALDP	Stewarton	Bridgend	Brownfield	0.8
106	192B	Bus/Ind	EALDP	Stewarton	Rigg Street	Brownfield	2.2

Appendix B: East Ayrshire Industrial Availability

Address	Settlement	Availability (sq ft)	Availability (Sq m)	Rent
208 Western Rd	Kilmarnock	8730	811	£4.00
Galston Rd	Kilmarnock	7428	690	Not Disclosed
New Build Unit A Barony Rd	Cumnock	6727	625	Not Disclosed
Block 2, 1 Simonsburn Rd	Kilmarnock	6215	577	£3.22
Block 14, 54 Low Glencairn	Kilmarnock	6058	563	£9.00 - 12.03
11-13 James Little St	Kilmarnock	5992	557	£6.34
Block A, 81 Main Rd	Kilmarnock	5642	524	£3.76 - 4.59 (Est.)
Block 2, Bellsland Grove	Kilmarnock	5630	523	£9.68 - 9.97
Block 14, Smiddy Ct	Kilmarnock	5522	513	£9.00 - 10.06
2 Simonsburn Rd	Kilmarnock	4970	462	£3.80 - 4.40 (Est.)
Peesweep Brae	Lugar	4290	399	£5.83
15 Munro Pl	Kilmarnock	4262	396	£3.09 - 3.77 (Est.)
Block 9, 21 Glenfield Pl	Kilmarnock	3970	369	£10.07
Forge St, Forge St Industrial Estate	Kilmarnock	3700	344	£3.17 - 3.23
Townholm	Kilmarnock	3359	312	£4.46
Block 13, 27 Glenfield Pl	Kilmarnock	3019	280	£9.21 - 9.82
Unit B Barony Rd	Cumnock	3000	279	Not Disclosed
14-18 East Shaw St, Trinity Business Spaces	Kilmarnock	2548	237	£2.46 - 3.01 (Est.)
Bonnyton Rd	Kilmarnock	2100	195	£2.57
16 West Langlands St	Kilmarnock	1956	182	£3.81 - 4.15
21 Bentinck St	Kilmarnock	1739	162	£5.75
Bonnyton Rd	Kilmarnock	1600	149	£4.00 - 7.56
9-17 UMBERLEY Rd	Kilmarnock	1500	139	£6.67
44 Soulis St	Kilmarnock	512	48	£15.63
28-30A Grange St	Kilmarnock	377	35	£11.94

Appendix C: East Ayrshire Office Availability

Address	Settlement	Availability (sq ft)	Availability (Sq m)	Rent
Hurlford Rd	Kilmarnock	46032	4277	£19.24 - 23.51 (Est.)
Lawson St	Kilmarnock	20000	1858	£9.38 - 11.47 (Est.)
Cairn Rd	Cumnock	8909	828	£4.49
1 The Cross	Kilmarnock	4232	393	£5.77 - 11.61
81-83 King St	Kilmarnock	3799	353	£5.54 - 63.78
39 Barrhill Rd	Cumnock	3175	295	£2.28
113-119 King St	Kilmarnock	1935	180	£6.57 - 9.46
21 West Langlands St	Kilmarnock	1815	169	£10.47
66 John Finnie St	Kilmarnock	1569	146	£7.18 - 8.19
16 Brewery Rd	Kilmarnock	1162	108	£8.11 - 9.91 (Est.)
58-60 Bank St	Kilmarnock	850	79	£14.12
1 Howard St	Kilmarnock	834	77	£9.00
4a The Square	Cumnock	690	64	£8.70
25 Portland Rd	Kilmarnock	487	45	£10.27
30-38 John Finnie St	Kilmarnock	366	34	£12.77 - 15.60 (Est.)

Appendix D: Site Inspection Commentary

Site	Town	1. Strategic Fit	2. Market Assessment	3. Transport & Access	4. Economic Impact	5. Development Potential	6. Alternative Use Pressures**	Total Score	Comments
Moorfield Phase 3	Kilmarnock	4	4	4	4	5	4	25	additional access points required if developed
Moorfield (North)	Kilmarnock	5	4	4	4	3	4	24	already established with more development taking place.
Moorfield (South)*	Kilmarnock	4	4	3	4	4	4	23	already established industrial location
Glenfield Ind. Estate*	Kilmarnock	4	4	4	4	2	5	23	Fully developed industrial estate with one pocket of land beside Royal Mail Delivery office.
Caponacre Ind Estate*	Cumnock	4	3	4	3	3	4	21	established ind use, room for further development but resi use may limit this.
Rowallan Business Park*	Kilmarnock	4	3	4	3	4	3	21	establish location with space for development. Access will need improved for plots to rear.
Balmoral Road *	Kilmarnock	4	4	3	3	4	4	21	HALO project mixed use development
Glacier Vanderveil*	Kilmarnock	4	3	3	4	4	2	20	Fully occupied by sole tenant
Waterside Industrial Estate*	New Cumnock	4	3	4	3	2	4	20	Established small industrial location, little to no further development opportunity.
Furnace Rd. Industrial Site	Muirkirk	4	3	3	3	4	3	20	Potential for development if sufficient demand. Little established activity but still some on site.
Cumnock Business Park*	Cumnock	4	3	3	3	2	4	19	established ind use, maybe accommodate new smaller sc (trade counter types)
Bonnyton Industrial Estate/ West Langlands Street	Kilmarnock	3	4	4	3	3	2	19	
Egger Factory, Barony Road, Auchinleck	Rural Area	4	3	2	3	3	4	19	site in use for industrial by Egger
Barrmill Road*	Galston	2	4	3	3	2	4	18	
Ayr Road*	Kilmarnock	3	3	3	3	3	3	18	
Barony Road/Highhouse Industrial Estates*	Auchinleck	4	3	3	3	2	3	18	Only a small portion of available land left to develop but established location should be attractive.
Titchfield Street/ Douglas St	Kilmarnock	3	3	4	2	3	2	17	Possible resi pressure.
30-38 John Finnie St, 1-5 Dunlop Rd	Kilmarnock	3	3	4	2	3	2	17	
Main Street	Auchinleck	3	2	2	3	3	3	16	clear site - MU area. Access to roads from both sides, maybe some retail warehousing/trade counter type ind use
Campbell Street*	Darvel	3	2	1	3	3	4	16	
Jamieson Rd / Green St*	Darvel	3	2	1	3	3	4	16	
Mauchline Road*	Hurlford	3	2	3	2	2	4	16	Fully occupied by Malcolm logistics.
Mauchline Road*	Hurlford	3	2	3	2	2	4	16	
Rigg Street*	Stewarton	2	3	3	2	2	4	16	
Muirkirk Bing Site*	Muirkirk	3	3	3	2	3	2	16	Some surrounding ind use and potential demand but burn to rear of site will limit development. Possible resi use pressures.
Ayr Road Industrial Site (Hillside?)	Patna	3	3	2	3	3	2	16	Limited space for development close resi use so limits bad neighbour uses
Ayr Road*	Cumnock	3	2	2	2	2	4	15	entire site established and in use, no gaps for further development
Glaisnock Glen*	Cumnock	2	2	2	3	3	3	15	clear site, could accommodate some high industrial use - backs onto retail warehousing/trade counter. In resi area with limited access.
East Main Street*	Darvel	3	1	2	3	3	3	15	
Littlemill Road*	Drongan	3	3	3	2	1	3	15	already established ind use
West Shaw Street	Kilmarnock	3	1	3	3	2	3	15	
Station Road Industrial Estate*	Mauchline	2	3	2	3	2	3	15	
Brown Street*	Newmilns	3	3	2	4	2	1	15	

Bridgend	Stewarton	2	2	3	2	2	4	15	
Bonded Warehouse*	Catrine								Fully occupied by Loch Lomond Group as a bottling plant with no further development opportunity
		4	3	2	2	1	3	15	
Drongan Industrial Estate*	Drongan	3	3	2	2	1	3	14	
Barony Power Station*	Rural Area	2	2	2	3	2	3	14	
Barony Colliery*	Rural Area	2	2	2	3	2	3	14	
Templeton Roundabout*	Auchinleck								Large site but not in an established industrial area and may cause congestion at roundabout if developed - resi pressure possible
		3	2	3	2	3	1	14	narrow access road, one occupier on site -
Laigh Milton Road*	Crosshouse	2	2	2	2	2	3	13	Poor access, heavy vegetation and isolated location
Skars Brickworks*	Rural Area	2	2	2	2	2	3	13	
Meiklewood/Mossie*	Kilmarnock	3	2	1	2	2	2	12	
Brown Street*	Newmilns	1	2	2	2	2	3	12	
									Behind houses with limited access for vehicles via two B roads, one leading onto A road.
Newton Terrace	Catrine	2	2	2	2	2	2	12	Small site in high street location, possible resi use or retail.
High Street	Dalmellington	2	2	2	2	2	2	12	Limited access, more rural location business demand unlikely
Bank School	Leggate, CPK. & B Gl	2	2	2	2	2	2	12	Isolated location, partially in use already
Mauchline Colliery*	Rural Area	2	2	2	2	2	2	12	limited potential, in resi area with poor access
School Road	Auchinleck	2	2	1	2	2	2	11	
Newton Terrace*	Catrine								two occupiers on site no further room
		2	2	1	2	2	2	11	MOT operator and building company
Cross Street/Bridge Street	Galston	2	2	2	2	2	0	10	
Bridge Street	Galston	2	1	2	1	1	3	10	
Former ABC Cinema, Titchfield Street	Kilmarnock	1	1	3	1	1	3	10	little interest application wise
									clear site - behind retail/resi frontage would make difficult to develop for ind use - potential resi? River Afton could limited development potential.
Castle	New Cumnock	2	2	1	2	1	2	10	cleared now. Bad access and resi area likely suited to residential or small retail use.
Bridge Street	Catrine	2	2	1	2	2	1	10	fully developed retail park, no opportunity for further development.
Armour Street	Kilmarnock	2	3	2	3	0	0	10	
Former Co-Op Building	Darvel	1	1	2	1	2	1	8	to be used as community garden?

Appendix E: Survey Questionnaire

EAST AYRSHIRE COUNCIL BUSINESS PROPERTY SURVEY

East Ayrshire Council are seeking to ensure there is an adequate supply of land within our administrative area to meet the needs of local Business and Industry now and in the future. As part of this process we should be grateful for your assistance in completing the following short questionnaire. All information supplied will be treated as confidential and used purely for the purposes of this exercise.

1. In what sector does your business operate?

- Industrial & Logistics
- Business
- Retail
- Other, please specify _____

2. Please indicate the status of the company at your East Ayrshire address: (tick box)

Headquarters

Branch

Sole premises

Other (please specify) _____

3. How long have you occupied your current premises?

_____ years/months

4. Do you: own or lease your property?

5. How satisfied are you with your current property and environment?

	<i>Good</i>	<i>Satisfactory</i>	<i>Poor</i>	<i>Less than Satisfactory</i>
General Location				
Size of Premises				
Accommodation				
Transport Links				
Parking Provision				
Image				
Security Services				
Image				
Energy Efficiency				

Other (please specify) _____

6. Are you considering relocating?

Definitely

Possibly

No

Don't know

7. has the Covid-19 outbreak affected your relocating decision making?

YES

NO

8. If yes, how has it impacted this decision?

9. If normal business activity were to resume at some point, would your company consider a positive expansion of operations?

YES

NO

Don't know

If you answered DEFINITELY or POSSIBLY to Q.6, please complete questions 10 to 13

10. (a) When might you move?

In the next 12 months

After 12 months

Don't know

(b) Would you prefer to:

Purchase your new premises

Lease your accommodation

11. If you intend to move, would your preferred location be:

East Ayrshire (please specify) _____

Other (please specify) _____

Don't know/ No preference

12. If you are looking to relocate outside of East Ayrshire, please specify why:

13. What approximate size of premises are you likely to require?

_____ sq.ft. or _____ sq.m.

14. If you intend to move, please indicate the main reasons:

- Property too small for current requirements
- Property too large for current requirements
- Building configuration no longer suitable
- Building Specification no longer suitable
- Location not suitable for the business
- Environment not suitable
- Other (please specify) _____

15. If you have searched for potential relocation sites, is there sufficient availability for your requirements?

YES

NO

THANK YOU FOR YOUR CO-OPERATION

Appendix F: Respondent Property Satisfaction Comments

We believe there should be greater financial support for businesses which contribute to the local economy and keep the centre of small towns and villages vibrant.
Old building -heat loss through original windows
have spent a long time working on village regeneration in Catrine but this continually undermined by council. Demolition of Volunteer Arms, demolition of Old Mill Inn, now EAC is going to take the community's visitor and education centre and community hub away from it.
Premises are old and require modernisation. Major investment required to become more energy efficient and environmentally friendly.
hot desking

Home office is fine but had to go to Barrhead to get product storage at affordable prices
I'm in the process of moving. I have answered these questions as per our new premises.
Not enough industrial units/estates compared to other towns in Ayrshire.
registered address
Because it's a listed building we are limited to the changes we can make to it. The windows are single glazed and very old, probably original. We lose a lot of heat through them.
Poor digital infrastructure affecting our ability to do business as things move more on line and wfh stretching our facilities here
Hi shop isnt great any work that needed done i had to do it myself. On the other hand our new office/warehouse is excellent .
<p>The requirement for industrial style buildings has increased significantly in recent years but unfortunately the supply has not adjusted at the same rate. This has resulted in property price increases both in sale and lease transactions. In addition to this, industrial properties are generally kept to a fairly poor standard within the Kilmarnock area as there is very little competition for landlords and the cost of bringing properties upto a reasonable standard often falls on the business newly occupying the premises. Further to this, many industrial units sit empty whilst landlords await premium price contracts which quite often lock tenants in for a high number of years (often 10 year contracts) which can cause future restrictions on growing businesses. An increase of supply to the area would certainly increase the level of competition which massively favours landlords at the moment especially within the Kilmarnock area. Further to this, many businesses are forced to relocate into areas such as Irvine due to more attractive offerings in regards to industrial buildings. With the rise in businesses which utilise storage such as online trading businesses and other types of businesses such as gyms, accountants and even butchers relocating to industrial buildings, the demand has massively shifted towards industrial style buildings but unfortunately this is not currently supported by the local authority. I'm aware of new builds in areas such as Moorfield North however this seems to address only larger businesses with small to medium sized businesses who may be looking for premises in the 1,000-5,000 sq.ft range not having any assistance. This is specifically where property prices have been hugely hiked and looking at areas such as Glencairn Industrial Estate only goes to show why many businesses are relocating out of Kilmarnock into more cost effective areas such as Irvine.</p> <p>Finally, support for businesses looking to buy premises is non-existent in East Ayrshire. Buying premises is a strong commitment to a companies base and a commitment to the area. As a company who would be in a position to purchase premises, our only option has been to build which sidetracks businesses from their main ability which is growing a business and creating more employment opportunities to support growth. The council could certainly benefit in the long term by looking at creating more availability of industrial style buildings for both sale and lease across all size ranges. As a Kilmarnock based business we would love to remain here however we do have concerns that our future requirements cannot be met in this area which I hope can be changed.</p>
<p>Really trying to buy the premises as even in these sad times we are doing well and that this is a testament that our services are needed more than ever.</p> <p>If there are any grants, loans or other means of helping us with this I would be truly thankful for any information.</p> <p>Thank you</p> <p>Paula</p>
Building has suffered from an ingress of water which has damaged the property which belongs to EAC. We are awaiting repairs to be carried out.
All equipment is not something we can save on as we run a fish and chip shop
Ground lease from council, building tired and as local bowling club non profit making organisation it is a constant struggle to keep fund raising for good of club .
John Finnie street premises, small ground floor shop style frontage office
We rent a shed along with a few other business (4) in the Estate which is mostly a scrap yard which has articulated lorries in out all day

The landlord makes it difficult for us. We have had to have patch work repairs done to the roof, we cant get a hold of him for insurance documents or for getting repairs done. We have had to do these ourselves, the premises needs a new roof, the boiler needs upgraded, windows need upgraded to double glazed as they are currently single glazed.

Happy with shop private landlord Not satisfied with mess at back of shop Council land bins not emptied enough makes very untidy for people coming to back door

Since acquiring 14-16 Douglas Street, it has allowed us storage and private parking for our customers. The shop has been here for over forty years under different owners and 23 years with myself here at 4, Douglas Street.

Had we not acquired the additional property, due to parking restrictions, we would have closed.

In established business, moving is a dangerous gamble!

I love Kilmarnock and my employees of long standing all belong to Kilmarnock.

There is a small piece of land to the rear of our building which is part of our lease. It leads to a roller shutter that we use to load and unload furniture and donations, this is also our fire exit which the fire service would access. We also feel that as most of our volunteers are on low income or retired, they should not have to pay for parking while they volunteer with us. There are at least 4 cars and vans from local businesses that use this land to park every day and do not feel they should stop parking on our land. We have spoken to them and asked them to leave, put letter explaining our situation on their cars but they still park, block our ability to park and have access to our own building.

Appendix G: Respondent Comments: If you are looking to relocate outside of East Ayrshire, please tell us why.

We may increase the number of locations if it can be proven

over the coming 6 - 12 months and would consider a Glasgow our South Ayrshire location

fed up with you as a council as a result of your sabotage of the Catrine Environmental Heritage Project

the lack of digital infrastructure is limiting our ability to operate

Very little business comes from EA businesses - business can be run from anywhere and we would benefit from being nearer the Central Scotland motorway network.

<p>To get a true resilient gigabit ethernet connection we would need to pay for the installation and rental of a second leased line connecting in to Eaglesham. Otherwise Kilmarnock is the only option, and if the Kilmarnock exchange goes down when we are live-streaming, our business fails.</p> <p>What would make it a no-brainer for us to stay in East Ayrshire would be if EAC were to finance a large fibre optic connection from Eaglesham (or as diverse a node as possible from Kilmarnock) ideally running this along the A71 and A76 corridors, so that businesses across East Ayrshire could benefit from relatively affordable true resilience.</p>
<p>Not enough quality affordable units in East Ayrshire for small to medium businesses, other towns, Irvine & Ayr for example have far more industrial units, modern buildings with a mix of local authority/private landlords. For the local economy here East Ayrshire to provide jobs & encourage startups & allow established companies the opportunity to grow & stay in the area & provide much needed employment, Kilmarnock in particular is sadly lacking in providing attractive industrial/office premises, I think this is the main reasons for businesses choosing to relocate to other area.</p>
<p>we would look for something that could support us on line / digital infrastructure</p>
<p>Shops like aldi with cheap fruit and veg are getting most of the business.</p>
<p>I like east ayrshire . The council staff is also very helpful.</p>
<p>We would far prefer to remain in Kilmarnock (East Ayrshire) however there are increasing options in areas such as Irvine and Ayr which would of course take us outwith this area. The key issue is lack of supply in regards to industrial buildings. As mentioned above, I'm well aware of availability at Moorfield North and plans at Rowallan however I know of many smaller businesses in the 1,000-5,000 sq.ft range who have struggled to identify premises in this area. This is also an issue increasing in size as many businesses which would traditionally have been retail are also relocating into industrial style businesses. I know of businesses which are accountants, hairdressers, butchers, gyms and many more that in the past would have been retail style locations however are all now relocating into industrial style buildings. Unfortunately East Ayrshire council is currently not supporting this significant change and it is creating many other issues as a result of this.</p>
<p>Kilmarnock is dying as a town. The council is the main problem . I do think they pick and choose who they like . I've been in business for a long time and I've had issues with the council . I don't think kilmarnock will improve .</p>
<p>No assistance given to property owners that keep their building in a state of good repair</p>
<p>To be nearer our customer base to reduce transport delivery costs</p>

Contact Details

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