



CITY GROWTH

Luton

Final Report

December 2004



Contents

Section 1 : Introduction and Approach

Section 2 : Executive Summary

Section 3 : SWOT Analysis

Section 4 : Demand

Section 5 : Supply

Section 6 : Fit

Section 7 : Solution

APPENDIX 1 – Industry Property Requirements

APPENDIX 2 – Employment Sites

APPENDIX 3 - Signposting



1.0 Introduction

The Small Business Service as part of an ongoing research programme has commissioned the Land and Property Audit relating to City Growth Phase 2. Jones Lang LaSalle was appointed in August 2004.

The project team have been working with the 10 CG Phase 2 areas to produce a robust Land and Property Audit related to each location. The core objectives relating to the Land and Property Audit are to identify the following:

- Economic Drivers that will influence land and property choices;
- The demand for property – the type, location and pricing relating to the product;
- The supply of the product and its relative availability and;
- The strategic ‘fit’ between demand and supply within the Land and Property sector.

In addition, the team have completed a SWOT Analysis relating to the Luton CG location and identified a number of strategic actions that could be put in place to develop the land and property strategy relating to the Luton CG area.

This report should be considered alongside detailed appendices prepared for the CG area.

The Process

JLL, in undertaking this project have adopted a robust but simple approach to data collection, review, analysis and preparation of documentation. The process works on the following basis:

Stage 1

The JLL team working alongside other consultants developing the research programme i.e. Regeneris, OCO and Trends Business Research (TBR) have developed a series of both generic and specific economic drivers at a local level likely to influence property demand, supply and development strategy. The research undertaken by other consultants has been supplemented with our own market analysis, developed through in depth research of existing data, interviews with key stakeholders including City Growth managers and further review of data sources with “representatives on the ground” in the local area.

We have therefore been able to identify the key economic drivers at a local level, which are likely to influence property needs into the future.



Stage 2

Working from this set of demand drivers, the team have completed an overall Market Analysis report relating to the Luton CG area. Through the Market Analysis documentation we have both in summary and detailed report formats set out demand for new floorspace across each sector and relative supply of floorspace (both existing and planned).

Stage 3

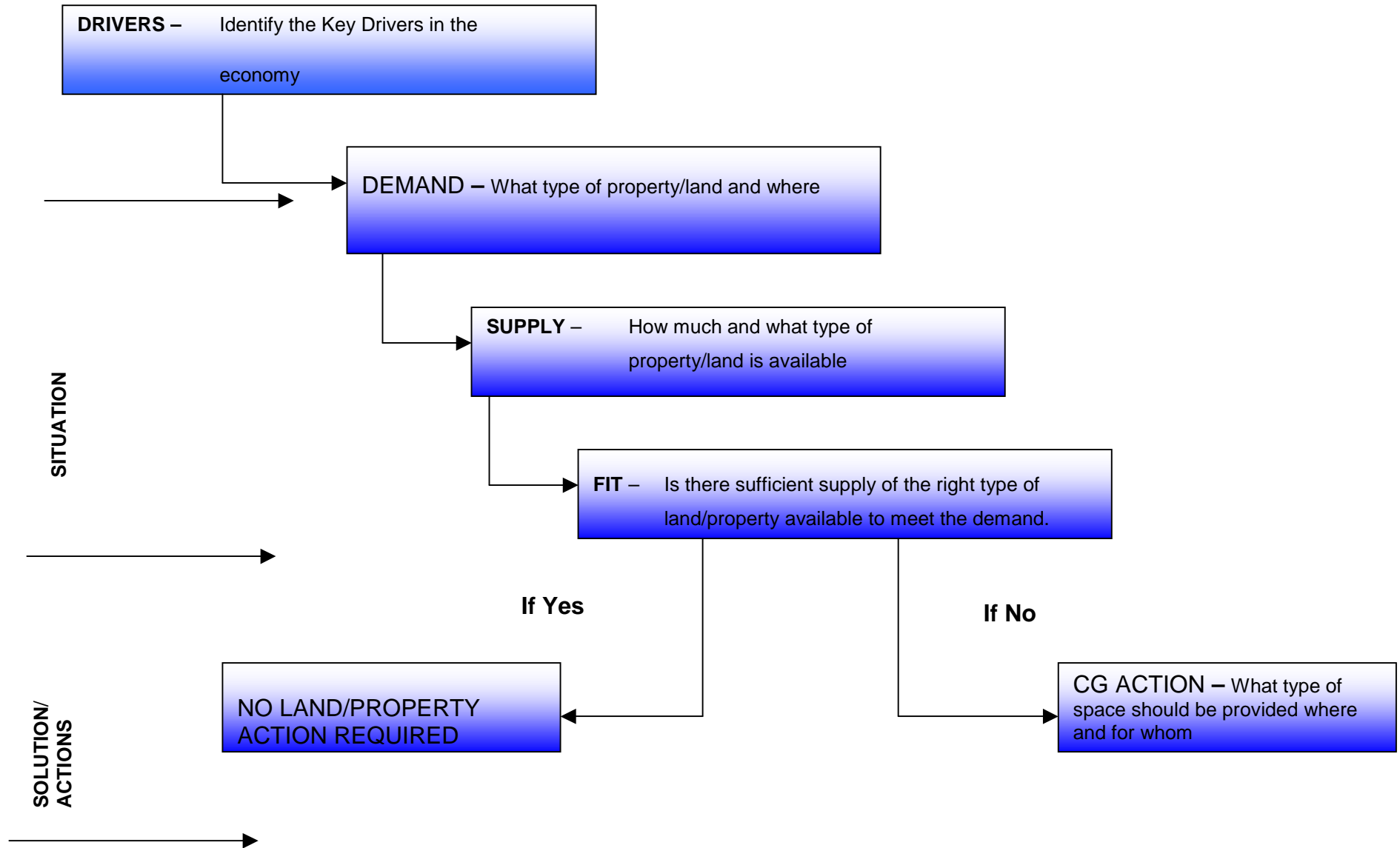
In Stage 3 of the project we have assessed the strategic fit between supply and demand identifying (at the local level) gaps in the marketplace, or indeed where possible supply sources that can assist in bringing forward early win projects.

Stage 4

Finally to provide pointers to future work of the City Growth team we have identified possible action areas (in summary form) that could form the basis of further research at the local level.

The process is set out in Table 1.

Table 1





City Growth' is vested in the principle of focusing on 'economic advantage rather than on social disadvantages to promote fresh thinking and new approaches to old problems'. This is based on the premise that 'even the most distressed cities have potential for economic development through the nurturing of enterprise'¹.

City Growth Phase 2 concentrates on bringing about actions that are based around the following:

- Engaging the private sector;
- Connecting key leaders from the public and the private sector who desire positive outcomes for the inner city;
- Uncovering market opportunities;
- Strengthening existing programmes, not competing or compromising; and
- Developing action orientated plans and assisting in developing the capacity to deliver them.

By coordinating activity and utilising and profiling the wealth of available resources City Growth aims to capitalise on the assets of the inner city, focusing on the development of growth markets to build competitive advantage within the locality and the region, specifically as cluster groups.

Clusters represent the specialisation and strengths of the region. Successful companies, clustered together in a particular industry, offer synergies for collaboration and trading both nationally and internationally. Clusters stimulate innovation, business expansion and start-ups, productivity and economic growth. Successful clusters comprise strong competitive businesses, supportive labour markets, industry leadership, entrepreneurs, support institutions, appropriate research and education facilities, specialised infrastructure and policy environments.

Land and property is but one element of the research, however, the importance of understanding commercial need and aspiration within the City is key to ensuring that the property market is enabling the economy to prosper. **Location** is arguably the most significant aspect of decision-making in the business community where investment in new premises is involved. The requirements of the vast majority of manufacturing and service-based industries dictate that good access to the primary road network is an essential pre-requisite to finding the best location from which to operate. It may be that a lack of available accommodation or inappropriate accommodation is hindering the growth, and market opportunities are being lost to



competing locations; recognising the assets of the city, and the potential for growth in key sectors.

The results of the associated research on inward investment, trends and demographics provide a background to this research and consultations with key organisations involved in the baseline research. The Regional Development Agency, the Portsmouth City Council, Hampshire County Council and the City Growth Project Manager have all contributed to the picture of activity as concerns economic development, planning and commerce in the City. The audit is concerned with both quantitative and qualitative information.

Understanding the supply and demand of commercial property is detailed further in this report. Commercial property registers have provided information about local market conditions, what is available where and what is being utilised, rentals, floorspace, etc. This has been supplemented where possible with forecasts for development from the Local Authority, and conversations with organisations involved in bringing forward development. This provides the information on the supply of space. Understanding demand is more difficult to quantify, but can be commented upon through annual uptake of commercial space as is generally documented by commercial agents, through conversations with local agents who understand the changing requirements of potential investors, and with key organisations in the locality which also recognise what accommodation or requirements are absent and may be deterring investment.

Circumstances which are unrelated to the property market may also be obstructing growth, these are discussed throughout the report, but are brought together collectively with the relevant strengths and opportunities in a SWOT analysis.

Characteristics - Luton

Luton is a town of 150,000 in population. It sits forty miles north of London on significant arterial corridors, both the east coast mainline and the M1 motorway. Luton is also fortunate in that it is served by a major airport, which has expanded rapidly in recent years on the back, particularly on the back of budget airline and tourist traffic.

Luton has a history based to some degree on the motor industry – although influences on development today are perhaps more to do with location and population make up than reliance on core industry sectors.



Despite some negative perceptions that may exist in respect of Luton, the economy, in overall terms performs at a relatively solid level. The town has been able to support significant new business park development at Capability Green – this has been very successful in attracting new businesses to the area. However, in the city growth areas, there are significant economic problems to address, many of which are highlighted through the work undertaken by Regeneris and through economic strategies developed as part of Luton’s policy making approach.

The Luton/Dunstable/Houghton area has been identified as a priority area for economic regeneration within regional planning guidance published from the south east. The East of England Development Agency in their regional economic strategy, highlight some strategic issues that need to be taken on in Luton, if it is to develop and grow in economic terms. They include:

- The development of innovation and incubator units linked to higher education and knowledge based industries,
- The need for investment in land and premises to support the existing and new businesses being developed,
- The need to develop clusters with associated facilities that can be supported in local areas. Some significant development areas exist within Luton, particularly brownfield sites that could be brought forward for development purposes, however, there are also significant areas that are not currently performing at a competitive level.

The RES guides the support for businesses in the region, and this support is clearly targeted at companies in the nine industry sectors as key drivers of the economy in the region.

The nine sectors are:

- Agriculture and food processing;
- Automotive;
- Life Sciences;
- High Technology Manufacture;
- Transport Gateways;
- ICT;
- Finance and Business Services;
- Media and Cultural Industries;



-
- Tourism, Heritage and Leisure.

Through consultations with Luton Borough Council and the East of England Development Agency (EEDA) the following industries were identified as growth clusters:

- Motorsports/Automotive;
- ICT;
- Electrical Engineering; and
- Film and Media / Creative Industries.

In terms of regeneration, funding is focussed in the following CGS wards:

- Dallow;
- High Town; and
- Lewsey.

Comprehensive redevelopment of certain areas is identified in the Local Plan in the form of Action Areas. These include The Central Area for retail and entertainment, Butterfield and Stockwood for large scale new development, Marsh Farm for residential, expansion of Luton Airport and residential development in High Town.

A key strength of Luton is its location in terms of the Strategic Highway network including M1, A6 and A505 providing both north south and east west links. The proposals for a northern bypass would lease congestion on roads around the Sundon Park industrial estate. In addition Thameslink and Midland Mainline trains provide services to the three stations. The Airport is outside the CG area, however, as it is a major influence on the local and sub-regional economy it would be remiss not to mention it within the context of Luton and the CG work.

Geographically, Luton is in a highly competitive area with towns such as Milton Keynes and Cambridge for example, presenting high profile opportunities to private sector investors.

In terms of office rentals the higher values are apportioned to the out of town stock in Luton and lower rents in the centre, whereas in Milton Keynes and Watford the reverse is true.



Anecdotal evidence from Luton Borough Council suggests that Luton finds it difficult to compete with areas such as Milton Keynes and South Beds as these other areas are able to offer larger industrial units of 30,000 sq ft plus. Through our consultations, we have also been able to identify that Luton suffers from a perception problem where potential occupiers see Luton as being only of sub-regional importance, of poor quality and with insubstantial amenities.

We also understand there is also an issue of quality within Luton as a number of landlords who have been operating in the area for a number of years do not make an effort to modernise the properties they own to entice better quality tenants and investors.

The availability figure throughout the measured period (see appendices) illustrates high levels of available industrial property in Luton. This raises the potential issue of either a lack of demand or a lack of quality in the supply.

It is important, therefore, for Luton to compose its own strategy for development and growth based around key principles and strengths identified through the CG research. The land and property aspects of the Luton portfolio are summarised in the demand and the supply sections of this report. They seek to identify particular areas where Luton can begin to develop product that can assist in the overall CG strategy.



2.0 Executive Summary:

Land & Property - Key Findings

Luton has some excellent attributes – notably communications networks – the airport and modern business premises such as Capability Green. Whilst Capability Green and the airport are assets, they lie outside the CG remit.

The town also benefits from proximity to London and south –east connections which fuel to some degree the residential property market.

On the downside, from an investment perspective, the perceptions of Luton as a place to invest are not competitive when compared with alternative locations such as Milton Keynes.

The town has traditionally had a bias towards the manufacturing sector and needs to change it's employment product to meet changes in business needs – notably in the office and logistics market places but also in smaller segments of activity such as creative industries.

Overall office take up has slumped over the last five years

North Luton

Much of the current product on offer to the north of the town centre is not well located from an investment perspective and is also in need of significant modernisation. Sundon Park in particular suffers from low investment levels in stock. This is partly the result of the difficult in accessing the M1. Currently no link exists here, despite the M1 bordering the location, a northern bypass would relieve the flow of traffic into Luton and out onto the M1, and raise the investment profile of the site.

Sundon Park is a large key employment area (more than 140 companies) comprising Willowgate Trading Estate, North Luton Trading Estate, Dencora Business Park, Park Avenue/Scott Road, Camford Way. It is eligible for Tier 2 grant funding and SFI-DTI-Regional Investment Business Start-up.

Other estates include Aztech Business Centre, Barnfield Technology Centre, Bramingham Business Park



West Luton

The central area comprises Cradock Road Industrial Estate, with more than 30 businesses.

Central

In the town centre opportunities exist to improve the town centre retail/leisure offer through masterplanning processes already underway and identify further opportunities for the creation of 'niche market' floorspace in emerging sector industries. The Hat Factory and a number of new or refurbished schemes have brought new life to this area. There are further redevelopment opportunities, certainly in line with the proposed refurbishment of the Rail Station.

There is a relatively high demand from key retailers for space in Luton, this again should build confidence in any redevelopment proposals.

On the edge of centre Britannia Trading Estate accommodates more than 40 companies including Heinz, Kinlock Communications, H Schreiber Ltd, J P Hygiene Supplies and Riley Snooker.

Located on the Selbourne Road Industrial Area is Dairy Crest Ltd, TRW Steering Systems, Stephens Removals and Weathershield Windows.

East Luton

The land around Vale Cemetery and crematorium designated as a regeneration action area.

Research and Development Technology Village to be developed at the Butterfield Site. To include a campus for post-graduate students and accommodation.

Refurbishment of existing transport interchange at Luton rail/bus station, is proposed which will create an opportunity to open up this gateway into Luton, and radically improve the environment around the area.

The continued expansion of the Airport and improvements to other routes should be used as part of the campaign to attract more businesses to Luton.



South Luton

Mixed-use area comprising housing and retail together with more than 120 businesses. Cosgrove Way, Dallow Road, Laporte Way and Kingsway estates and the Portland Court Managed Workspaces are within this area. Occupiers include N Balfour & Sons Ltd, Cesalpinia UK Ltd (food related), Micra Instruments, Stanbridge Precision Turned Parts Ltd, Gibbs & Dandy, Topps Tiles, Jewson Ltd, Watford Electronics (over 100 employees), SFS Performance, Deta Electrical Co Ltd, Bennet Mechanical Services, Aldi, B & Q Warehouse Plc.

To the south east is the Crawley area and includes Power Court, which is part of the town centre development framework. It also includes Thistle Road and Windmill Road and Pondwicks Road, which holds Measurement Technology Ltd, Ruston Electronics, Plumb Centre, Frank Ludlow Ltd, Creative Concepts & Exhibitions and many more.



3.0 SWOT Analysis

STRENGTHS	<ul style="list-style-type: none"> ▪ M1 runs through the City ▪ Good rail link to Central London ▪ Good manufacturing skill base ▪ Growing Airport ▪ Successful business park locations such as Capability Green ▪ High skills in catchment area 	<ul style="list-style-type: none"> ▪ Built up to the administrative boundary ▪ Residential stock (particularly in centre) and stock capable of conversion in City Centre being taken up by commuters – pushing prices up, eliminating opportunity for employment development ▪ North of Luton not well connected to the adjacent M1. Sundon Park in particular suffers from this, congestion is an issue to get to M1 ▪ Landlords not improving stock ▪ Sundon Park – poor stock. SKS left, large range of buildings, broken up for mix of uses but not upgraded ▪ Shortage of serviced accommodation ▪ Shortage of stock above 25,000 sq ft 	WEAKNESSES
OPPORTUNITIES	<ul style="list-style-type: none"> ▪ Hat Factory – new creative industries sector – diversifying and redevelopment opportunities ▪ New northern extension to adjacent M1 ▪ Estate improvement works ▪ Redevelopment opportunities ▪ Redevelopment of Luton Rail Station and neighbouring land ▪ Continued expansion of Luton Airport 	<ul style="list-style-type: none"> ▪ Competing locations of Milton Keynes and Watford ▪ Poor public perception of Luton as a location ▪ Significant losses of employment land to other uses 	THREATS



4.0 Demand Summary

4.1 Current Demand

The following section looks to identify the current pattern of demand within Luton's property market.

4.1.1 Office Demand

The table below highlights the key demand indicators for the office market in Luton:

Luton Key Demand Indicators - Office	
Top Rents (£ per sq. ft) - end 2003 *	18.50
Top Yields (%) - end 2003 *	7.75
Take up rates (sq.ft) - 1999 - 2003 Average *	234,000

- The most immediate competing office centres are Milton Keynes and Watford. Local commercial agents are of the opinion that Luton finds it difficult to compete due to the town's inability to provide the same range and quality of accommodation and also that Luton suffers from a perception problem from potential occupiers.
- Strong demand for smaller units up to 2,000 sq ft (185 sq m) and serviced offices.
- Demand for large office units is limited to out of town sites and in particular Capability Green which is outside the City Growth area.
- Poor demand for in-town office stock which may be due to parking difficulties, the quality of space on offer and the quality of the urban environment.

4.1.2 Industrial Demand

The table below highlights the key demand indicators for the industrial market in Luton:

Luton Key Demand Indicators - Industrial	
Top Rents (£ per sq. ft) - end 2003 *	6.50
Top Yields - end 2003 *	7.38
Take up rates (sq.ft) - 1999 - 2003 Average *	746,000

- Reasonably strong demand exists for all sizes of units although this is more marked for units below 2,000 sq ft (185 sq m).
- Occupier demand is focused towards the south of the town close to Luton airport which is outside the City Growth area. This is mainly due to the proximity of the airport and the excellent infrastructure links.



- Another area showing strong demand from occupiers is the Dallow Road Industrial Estate located on the western side of the town close to junction 11 of the M1.
- Poor demand exists for the Sundon Park Industrial Estate to the north of the town, which we are informed, is due its poor infrastructure links and the poorer quality of the stock.
- There is a general issue of poor quality stock in most areas of the Luton City Growth area which is exacerbated by landlords not making an effort to improve their properties and thereby not being able to entice better quality tenants and investors.

4.1.3 Retail Demand

Luton Key Demand Indicators - Retail	
Top Rents (prime Zone A £ per sq. ft) - mid 2004 *	175
Top Yields - mid 2004 *	6.00
Take up rates (sq.ft)	n/a
Retailer Requirements - mid 2004 *	49

Data relating to the retail sector is likely to apply to conditions within the Town Centre, as this is where the top rents and yields are achieved.

- According to PROMIS, Luton is ranked 75 of the PROMIS Retail Centres which indicates that the town has a slightly high level of demand for its size and status.
- Key competing towns include Milton Keynes, Watford, Bedford and Stevenage, whilst competition from out-of-town shopping centres comes primarily from Brent Cross.

Sources

** Promis Live – (for more detailed explanation of these figures please see appendix 1)*

4.2 Future Demand

4.2.1 Key Economic Drivers

The following include a number of key themes which have been drawn out of the previous research identified in appendices. They are seen as the area's key economic issues which will have implications for the property market.

- A significant minority of higher paid professional and managerial worker who live in the area but commute out of the area - potential to encourage them to use their talents locally and start-up businesses closer to home;



- Strong demand for housing (low vacancy rates) and rapidly increasing, although still affordable, house prices;
- Luton has its own University and an above average proportion of adults who are fulltime students – this provides a potential source of employees and the development of a creative culture in the area;
- Steady survival rates for start-up businesses;
- Low rates of economic activity and employment amongst the important Asian community (who account for 20% of the CGS area population);
- Low wage rates and earnings levels which reflect the relatively low skilled nature of a lot of employment and dampen the local demand for good and services

4.2.2 Industry Requirements

Previous work identified in appendices has highlighted a number of key industries which are to be targeted within the City Growth strategy. This has been supplemented with consultations with CG teams, EEDA and discussions with occupiers and agents.

Each industry has unique accommodation requirements which need to be provided to facilitate the sectors growth, these have been highlighted below.

Future Demand		
Industry	Typical Occupiers	Typical Type of Space (sq.ft.)
Automotive	Manufacturers of automotive parts. Engineering design activities. Sale of motor vehicle parts and accessories.	2,000 - 20,000 sq ft good quality new build / refurbished space within existing commercial locations or with good access the road network.
Clothing	Manufacturers of clothing and fabrics Manufacturers of fasteners etc. and packaging for clothing.	2,000 – 30,000 sq ft (200 – 3,000 sq m*) processing or plant area. Storage facility / yard of approx 2,000 – 30,000 sq ft (200 – 3,000 sq m*). Possibly small ancillary office, relative to size of the plant area, but typically around 1,000 – 3,000 sq ft (100 – 300 sq m*). Within an industrial location or out of town. Sufficient access to transport and infrastructure links. Servicing access for articulated vehicles.
	Wholesale of clothing and textile machinery	Warehouse space as above but also may require a shop window facility to front a factory shop outlet.
Construction	Building contractors/sub-contractors	Office space of around 1,000-20,000 sq ft (100–2,000 sq m approx) and a storage yard of around 5,000–40,000 sq ft (500–4,000 sq m).



Future Demand		
Industry	Typical Occupiers	Typical Type of Space (sq.ft.)
	Manufacturers and distributors of construction products and materials	2,000 – 30,000 sq ft (200 – 3,000 sq m*) processing or plant area. Storage facility / yard of approx 2,000 – 30,000 sq ft (200 – 3,000 sq m*). Possibly small ancillary office, relative to size of the plant area, but typically around 1,000 – 3,000 sq ft (100 – 300 sq m*). Within an industrial location or out of town. Sufficient access to transport and infrastructure links. Servicing access for articulated vehicles.
Food/Drink	Wholesalers	Warehouse space of 10,000 - 100,000 sq ft (1000 – 10,000 sq m) but also may require a shop window facility to front a factory shop outlet.
	Manufacturers of light metal packaging and glass	2,000 – 30,000 sq ft (200 – 3,000 sq m*) processing or plant area. Storage facility / yard of approx 2,000 – 30,000 sq ft (200 – 3,000 sq m*). Possibly small ancillary office, relative to size of the plant area, but typically around 1,000 – 3,000 sq ft (100 – 300 sq m*). Within an industrial location or out of town. Sufficient access to transport and infrastructure links. Servicing access for articulated vehicles.
ICT		20,000 - 100,000 modern specification office facility, telecommunication / broadband access. With proximity to transport network.
Media		20,000 - 100,000 modern specification office facility, telecommunication / broadband access. With proximity to transport network.
Medical/Pharma		Properties of typically between 20,000 - 50,000 sq ft purpose built lab space divisible upwards of 100 sq ft. Location within branded parks, with specialist supply of labour and within vicinity of University or existing operators.
Retail	High street occupiers	500 - 4,000
	Larger department stores	10,000 - 30,000 sq ft
	Warehousing space	20,000 - 30,000 sq ft
	Food and Drink Occupiers	500 - 2,000 sq ft
Creative Industries	Micro-business from the branding and graphics / knowledge based sectors	Single affordable units of around 100 - 500 sq ft. Would consider space above shops which has been converted to provided broadband access. Could be accommodated in larger multiple facility. Likely to be within established CI cluster.

5.0 Supply Summary

5.1 Existing Commercial Supply (Office & Industrial)

The following section details the major commercial locations within the City Growth Area of Luton. This aims to provide a picture of the type of supply currently available to accommodate existing occupiers and also the growth needs of industries highlighted in section 4. This is by no means an exhaustive list and merely provides a sample to illustrate typical conditions within Luton.

Existing Supply					
Location	Current Use	Typical Size of Units	Typical Rents (per sq. ft.)	Occupancy Details	Vacancy Hot-spot
Sovereign Park	Industrial	40,000 sq. ft	£6.75	Modern high quality stock with 1 st floor offices	
Luton Enterprise Park	Industrial	20,000-35,000 sq. ft	£3.00 - £4.00	Nearing end of economic life. Re-development opportunity. Poor infrastructure links.	*
Sundon Park Industrial Estate	Industrial	5,000 - 40,000 sq ft	£2.50 - £5.00	Nearing end of economic life. Re-development opportunity. Poor infrastructure links.	*
Britannia Trading Estate	Industrial	5,000 - 20,000 sq ft	£3.50 - £5.00		
Selbourne Road Industrial Area	Industrial	5,000 - 20,000 sq ft	£2.50 – £3.50		
Caleb Close Estate	Industrial	2,000 - 10,000 sq ft			
Craddock Road Industrial Estate	Industrial	5,000 - 20,000 sq ft	£4.50 - £5.50		*
Cosgrove Way, Dallow Road, Laporte Way and Kingsway Estates	Industrial	5,000 - 20,000 sq ft	£4.50 - £6.00		*
Hitchin Road, Holly St, Flowers & Langley Terrace industrial areas	Industrial	65,000 in total individual unknown	£4.00 - £6.00		

Existing Supply					
Location	Current Use	Typical Size of Units	Typical Rents (per sq. ft.)	Occupancy Details	Vacancy Hot-spot
Cresta House	Office	2,000 – 5,000 sq ft	£7.00 - £9.00	Town Centre but poor quality	*
The Atrium	Office	2,000 – 8,000 sq ft	Unknown		*
Stuart Street	Office	2,000 sq ft	From £5		*
Cardiff Road		Around 1,000 sq ft	Up to £13		*
Dallow Road	Office	3,000 – 8,000 sq ft	£6.50 - £7.00		*

NB – It must be noted that the majority of information detailed above is anecdotal evidence provided by market consultees. This information is provided to give an indicative picture of property conditions within the area and cannot be relied upon beyond this point.



5.2 Development Opportunities – Future Supply

The following details the future pipeline supply within Luton which could potentially cater for any shortfall between future growth needs of industry and the current property stock.

Site	Area (ha)	Current Status
Hartwell Ford, Chaul End Lane *	1.456	Resolution to grant permission for mixed use scheme subject to referral to Secretary of State under Shopping Direction
Derelict Site, South side Concorde Street *	0.6	Under development as a community centre.
13-31 Dunstable Road *	0.285	Planning permission for housing
Adj B&Q, Laportes Phase 4, Dallow Road *	1.47	Resolution to grant planning permission for mixed use B1/B2 and retail scheme subject to referral to Secretary of State under Shopping Direction
117A Gardenia Avenue *	0.328	Under construction for housing
Development land at and around 142 Old Bedford Road *	0.36	Under construction for housing
Vauxhall Site	23	Recently purchased by RoxyLight and Laing O'Rourke. This site has been precluded from B8 warehouse/distribution uses and we are informed that proposals for the site are likely to include mass demolition and development of a mixed use scheme to include a retail DIY store, housing and employment.
Power Court	Not known	Site is located to the north eastern side of the town centre and is an important development opportunity where a retail-led mixed use scheme is envisaged although a planning application has not yet been submitted
Butterfield Green Site	41	Will provide an Innovation Centre, hotel, park and ride facility and extension to The Vale cemetery. Easter Developments has just begun the first phase infrastructure works for this 1 million sq ft (92,900 sq m) scheme
Hat Factory District	Not known	This area lies between the rear of the Arndale Centre and the Station. Regeneration work has begun with a former rundown warehouse on John Street being transformed into luxury flats by Conack Homes. Currently a creative industries location with potential for growth.



Central Area	Not known	We understand that consultants are currently in the process of preparing a Master Plan and Development Framework to set out how this area can be developed to its full potential. Areas which have been identified for improvement include the Gap Site in St George's Square, the Cultural Quarter and the Northern Gateway
--------------	-----------	--

* Source: LBC Employment Land Topic Paper July 2004 (NLUD - April 2003)



6.0 Fit

6.1 Manufacturing and Industrial

There is significant demand within this sector for new floorspace based upon Luton's traditions in the manufacturing arena. However, current product is, in some locations, outmoded and outdated and unable to compete in favourable terms with more modern industrial premises. This would be particularly the case to the north of the town, where connections to major routes are also sub-standard. Therefore to improve this situation from a CG perspective, plans need to be brought forward for remodelling and redevelopment of existing industrial areas and in addition, the scope for further designations should also be considered, particularly in more accessible locations where sites can compete more favourably in the marketplace.

6.2 SMEs and Smaller Scale Industrials

One issue that Luton has to address relates to land value and demand for housing on existing employment sites. Much like a number of other CG locations a number of sites are being developed for housing where demand for new employment floorspace cannot be proven. This is a particular CG issue and will continue to hamper efforts to deliver small - scale floor space suitable for SMEs. This requires a robust action in respect of policy and also a more proactive approach to the delivery of smaller scale premises suited to the needs of business.

6.3 Creative Industries

The presence of the University and growth in the Creative Industry Sector presents opportunities for Luton. At this stage, this particular sector is not mature, however, it could form an important component of future economic growth. Much like other locations, looking carefully at existing premises clusters of activity and mixed-use development areas, could provide solutions in terms of real estate in this particular area. Our research suggests that this type of accommodation does exist in Luton and could be exploited.

6.4 ICT/Pharmaceuticals

Larger scale requirements in the more modern floor space arena could be serviced by sites such as Capability Green. This is an important site which makes a significant contribution to Luton economy. The key task is to ensure that residents can access jobs in these more prestige locations rather than try to replicate the product elsewhere through the town. In the same context therefore, opportunities around the airport should be exploited as part of the ongoing economic strategy, creating high



quality jobs which can be accessed CG residents. In this context, accessibility, particularly by public transport, is key to ensure that residents can access new areas of work.

6.5 Retail

Luton performs relatively strongly in the retail sector as a good catchment from which to exploit further retail development opportunities. Plans for the town centre being brought forward as part of new visioning proposals will create opportunities for new development that can add to the retail offer. This will create jobs and could also increase vibrancy and confidence at the local level.

6.6 Mixed Use

Related to the above – again proposals for the town centre are local to bring forward more mixed use proposals particularly able to exploit opportunities in the leisure industry. Again we would suggest that this should form an important component part of the CG strategy.



7 Solutions

The CG area of Luton presents a number of challenges - however, much like a number of other locations, when we are looking at CG from a land and property perspective, a wider, more strategic view needs to be taken of opportunities that exist.

Within the wider Luton area, the presence of the airport, Capability Green and other strategic sites present significant opportunities to grow the town's economy.

Emerging proposal for the town centre also offers the prospect of further growth.

The task appears therefore to fall into two parts. Firstly, CG residents must be able to access jobs created in more prosperous parts of the town where the economy will continue to grow.

Secondly, in CG areas where existing industrial sites premises are available, there needs to be a significant effort made to modernise the offer and attract more businesses, both small and large to this part of the town.

Allied with this there is scope to ensure the supply of smaller premises for SMEs. The Cambridge Luton Innovation Project is already established; it's role is to establish important innovation transfer mechanisms, relating to the operation of innovation centres, capable of making a compelling contribution to the growth of new businesses, employment and wealth in the Luton area. The project will necessarily explore how manufacturing and other key resources of the Luton area can be brought to the attention of Cambridge and regional industry.