

HOUNSLOW LOCAL PLAN EXAMINATION STAGE 1 HEARING SESSIONS IDENTIFIED BY THE INSPECTORS**ON BEHALF OF SEGRO (RESPONDENT 098, 099) – MATTER 4 EMPLOYMENT, RETAIL AND OTHER MAIN TOWN CENTRE USES (INCLUDING PROPOSED RELEASES OF GREEN BELT AND METROPOLITAN OPEN LAND)**

Question 1 - What is the evidence in relation to jobs growth and the need for employment land/floorspace in the Borough over the Plan period? Is the employment land evidence base sufficiently up to date taking account of market signals?

1. The need for employment floorspace is established in EBED1, with a subsequent update, to reflect the latest supply position, set out in EX9, bringing it up to date.
2. Market signals are factored into the EBED1 assessment, by applying vacancy adjustments (see EBEB1, page 56, Table 5.9), so that the resultant assessment addresses issues undersupply and constraint.

Question 2 - Is the overall amount of employment land identified as to be provided in the Plan for industrial floorspace and office floorspace, justified? Why does the Plan not include a specific overall employment requirement in a strategic policy for industrial and/or office floorspace or a jobs target?

3. Yes, based on the evidence presented in EBED1, and the assessment of floorspace demand therein, updated in EX9 to take account of the latest supply position.
4. Floorspace is the appropriate target for the development of employment land, since it is floorspace that will be delivered. This has parallels with housing requirements (housing numbers are the target, not population or even households).
5. West of Borough employment land allocations will deliver industrial and floorspace, that will then accommodate jobs in occupation relevant to the floorspace use. The number of jobs will vary, depending upon use, occupier operating model, levels of automation, etc. For that reason, floorspace requirements are a more appropriate measure of industrial and logistics development needs than jobs, justifying the omission of a jobs target.

Question 3 - How does the overall amount of employment land identified to be provided in the Plan for industrial floorspace and office floorspace, relate to the jobs growth intended in the Heathrow OA and the Great West Corridor OA respectively in the London Plan 2021?

6. The amount of employment land identified to be provided in the Plan for industrial floorspace does not relate to the job growth figure indicated for the Heathrow OA in the London Plan 2021. This is appropriate and justified for the following reasons.
7. The London Plan jobs figure is indicative and based on evidence that it now dated (the base year is 2016) and superseded by the Council's much more recent analysis (October 2025), which incorporates their latest supply position (completions and permissions), as set out in EX9, Table 4a for West of Borough. This is a more reliable and robust basis for determining industrial and logistics floorspace requirements than the indicative figure included in the London Plan.
8. Furthermore, the Heathrow OA is not a made policy. The latest London Plan AMR (published September 2025) confirms that the Heathrow Opportunity Area boundary status is 'emerging' and the planning policy instrument is identified as the 'Local Plan (Hounslow)'.
9. Therefore, it is for the Hounslow Local Plan to determine what the appropriate measure of Heathrow OA growth should be. For the reasons given in answer to Q2, floorspace delivered is the appropriate measure, and should replace the indicative, starting point jobs target set out in the London Plan.

Question 4 - Is the Plan sufficiently clear as to the amounts and location of general industrial floorspace (and those otherwise falling within Classes B1(b), B1(c) and B8) that it intends to allocate or identify?

10. Yes, the Plan is sufficiently clear. Policy ED 1, part A identifies where new industrial land will be provided, part D provides the West of Borough, rest of borough floorspace split. The provenance of the Part D figures is described in supporting text (page 85 to 88, paragraph 4.1 to 4.14).
11. At a more granular level, Figure SS1 (page 23), depicts the ten districts, comprised of six Place Policy areas, Town Centres (x3), Large Neighbourhood Centres (x5) the West of Borough / Heathrow OA and Great West Corridor OA. Site allocations are also mapped, meaning that policies can be interrogated, down to district level.
12. For example the industrial and logistics development needs position articulated for West of Borough in Policy ED 1 (see EX9, page Table 4a), is addressed in Policy P2 (West of

the Borough), part c (Allocating land for new industrial floorspace within key locations as identified in the site allocations, including new Locally Significant Employment Sites at Hatton Cross (Land at Hatton Road and vacant land at Dick Turpin Way)).

13. Policy P2 (c): Land at Hatton Fields/ Vacant Land at Dick Turpin Way then details the place policy area boundary, the site allocations boundary, the LSIS boundary and the approximate industrial and logistics floor area that the allocation is expected to deliver.

Question 8 - How has the employment land evidence assessed the need for additional sites for logistics development? Is the evidence sufficiently up to date? Is the Plan positively prepared in regard to logistics and in particular, any requirements arising from the Heathrow OA in the London Plan 2021?

14. The employment land evidence that assessed the need for additional sites for logistics is EBED1, updated in EX9, this year (October 2025), to take account of the latest supply position. It is sufficiently up to date, and records a significant requirement for logistics, the majority of which is to be provided for West of Borough, where the demand for large scale logistics floorspace is acknowledged to be greatest.
15. The Plan for large scale logistics development West of Borough is positively prepared, and, for the reasons set out in answer to Question 3, updates and replaces the Heathrow OA indicative jobs target published in the London Plan 2021.
16. The scale of logistics demand assessed by EDED1 (page 56, Table 5.3) exceeds supply by a significant margin, a position confirmed by EX9 (see, for example, page 3, Table 6.2a). This is consistent with constrained and under supplied market conditions.
17. These market conditions are corroborated by the performance of SEGRO's Heathrow portfolio. The relevant market area envelopes Heathrow Airport and is served by the strategic road network, M25, M4 and the A30, providing access to regional and national markets.
18. A significant proportion of the Heathrow market (including the A30) lies within LB Hounslow, in the area coterminous with the West of Borough and Hounslow's share of the Heathrow Opportunity Area.
19. SEGRO's Heathrow portfolio is substantial, amounting to a total leasable area of c480,000 sqm. The characteristics and performance speak to the success of the Heathrow market and underscore the reasons why more land is required to ensure continued success and added economic value to LB Hounslow.

20. 30% of SEGRO's Heathrow occupiers are directly engaged in air cargo or airline related sectors. The remaining 70% are engaged in a diverse range of activities, including manufacturing, construction, business services and information technology.
21. Diversification of the Heathrow portfolio has increased in the last five-to-ten-years and underpins the exceptionally high current occupancy rate of 99.4%.
22. There are 16 live requirements for mid-box plus units (5,000 sqm and above) in the Heathrow area, for a wide range of occupiers in various sectors, including 3PL, manufacturing and retail.
23. The strong performance of the Heathrow market and SEGRO's Heathrow portfolio is driven by a broad base and increasingly diverse occupier requirements giving rise to an exceptionally high occupancy rate.
24. The market is constrained by a limited availability of premises in the face of live requirements that exceed available supply by a considerable margin.
25. Confirmation of the importance of the sector to the economy in LB Hounslow, the wider London area and nationally, is contained in the UK's Modern Industrial Strategy, (November 2025). This is a 10-year plan to increase business investment and grow the industries of the future in the UK. This will be achieved through targeted action, enabling investment and growth eight sectors (known as the IS-8) with the highest potential. Freight and logistics is acknowledged as making 'a vital contribution to the UK economy and the competitiveness of the IS-8, ensuring that the right goods are in the right place at the right time.' Research is cited which concludes that freight and logistics has one of the highest economic footprints of any sectors and that 'productivity growth could be boosted by 20% if the UK were to become a global leader in the sector' (page 89).

Question 10 - Is the identification and boundaries of the Strategic Industrial Sites (SIL), Locally Significant Industrial Sites (LSIS), other existing industrial sites, Key Existing Office Locations (KEOL), Great West Corridor Creative Enterprise Zone and Strategic Outer London Development Centre - justified, consistent with national policy and in general conformity with the London Plan 2021?

26. Yes. Policy ED 1 states that the Council will promote employment growth and development through, among other things, the allocation new sites for additional employment development. Both Land at Hatton Cross and Vacant Land at Dick Turpin Way are listed within the policy as new allocations following selective releases from the Green Belt (Criteria C).
27. SEGRO agree with this additional employment need and decision to locate new sites for development given the scale of future industrial demand. We support the Council's

approach to maximise opportunities presented by its strong economic geography to both London and Heathrow Airport. This is in line with Paragraph 110 of the NPPF, which highlights that planning policies should provide for any large-scale transport facilities that need to be located in the area, and the infrastructure and wider development required to support this operation, expansion and contribution to the wider economy. Footnote 46 confirms that this includes airports.

28. This is also supported by London Plan Policy E4 which states that a sufficient supply of land and premises in different parts of London to meet current and future demands for industrial and related functions should be provided. The provision of additional industrial capacity will be prioritised in locations that are accessible to the strategic road network and provide capacity for logistics.

Question 11 - Are the approaches in Policies ED1 and ED2 in terms of development proposals in SIL, LSIS, KEOL and other industrial and office sites – justified, effective, consistent with national policy and in general conformity with the London Plan 2021?

29. SEGRO representations to the Hounslow Local Plan 2020-2041 (Proposed Submission Version) sets out their comments in relation to Policy ED 1 and related Policy EQ1. This includes our concerns regarding the provision of affordable workspace, which is further explained and expanded on in answer to the Inspectors' Question 12 below.

Question 12 – Is Policy ED1, effective, justified, consistent with national policy and in general conformity with the London Plan 2021 with respect to the requirements for affordable workspace and the list of development types and locations from which it will be sought? Responses should specifically address:

- a) Whether there is sufficient evidence of the amount of affordable workspace that would be provided and whether it is viable in the locations identified?
- b) Is the approach to payments in lieu for offsite affordable workspace and how it would be calculated justified and effective?

30. The relevant requirements of policies can be summarised as follows.

Table 1: Requirements of Policy

| Source | Requirement |
|-------------|--|
| NPPF | In order to be sound, policies should be justified, effective and consistent with national policy . |
| | Policy should help create the conditions in which businesses can invest, expand and adapt (paragraph 85). |
| PPG | Requires viability to be assessed at the plan-making stage to ensure that policies are realistic and the cumulative impact of proposed policies does not undermine the deliverability of the plan. The aim is to minimise the need for viability at application stage. |
| London Plan | Detailed policies should be supported by local evidence of need and viability . |

31. As it stands, Policy ED1 is not supported by proportionate evidence of need or viability. Without clear justification for the scale and locations proposed, it is not shown to be justified, effective, or deliverable. As such, it has not been demonstrated to be consistent with national policy or in general conformity with the London Plan.

32. It is important to note that the emerging position on the new London Plan seeks to exclude B2/B8 from affordable workspace requirements altogether. Industrial sites present challenges for providing affordable workspace given their scale and format, including difficulties in subdividing large warehouses and external spaces. Furthermore, industrial / logistics schemes on brownfield sites contribute significantly to job creation, training opportunities, and economic growth, outweighing the feasibility of providing affordable workspace.

Viability - Proportionate Testing

33. The Local Plan Viability Assessment (LPVA) (EBV1) tests the affordable workspace requirement on a number of specific site allocations that incorporate office / warehouse / industrial floorspace. No typologies are tested. Only two schemes are entirely industrial; the remainder are mixed use, with residential floorspace accounting for 53-96% of the total GIA.

34. Table 6.3.3 of the LPVA presents viability results based on the assumption that existing land is secondary industrial (the lowest-value non-vacant land). 7 of the 12 schemes are unviable before any affordable workspace provision is applied, including both entirely industrial sites. The LPVA assumes £6.7m/ha for secondary industrial land which are

significantly lower than a realistic level for current estates. Based on land at c.£15m/ha, meaning viability is even more challenging than indicated which aligns with their experience that viability of industrial development is becoming increasingly challenging.

Figure 1 : LPVA Extract (Table 6.3.3)

All appraisals assume 35% AH (where relevant)

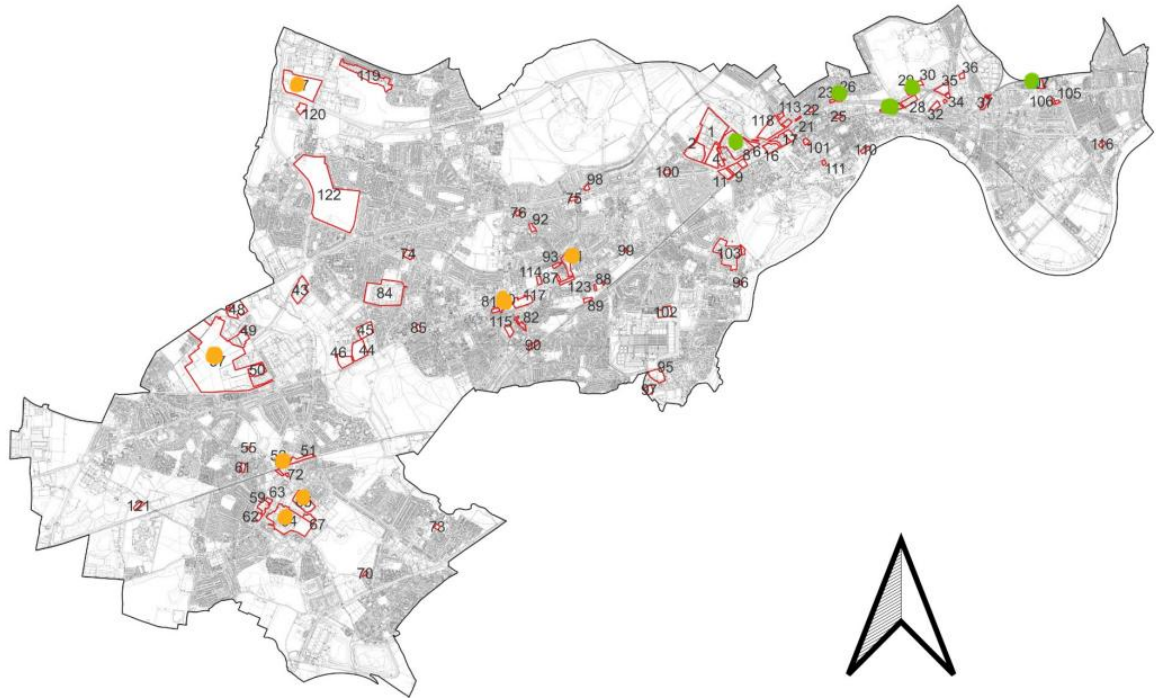
| | | | | | | | £6,710,000 | | | |
|--------|----------------------------------|------------------------------------|-----------------------------|------------------------------------|-------------------------|--------------|--------------|---------------------------------|----------------------|---------|
| LP Ref | Site | Industrial and logistics (sqm GIA) | Office floorspace (sqm GIA) | Other non-res floorspace (sqm GIA) | No residential of units | Site area ha | BLV | Starting residual (no discount) | 10% FS, 45% discount | 10% dis |
| 37 | West Cross Industrial Estate | 55,070 | - | 1,810 | 1,800 | 9.30 | £62,403,000 | £68,167,968 | £64,356,432 | £83 |
| 38 | Phoenix Business Park | 17,480 | - | - | 260 | 1.60 | £10,736,000 | £21,970,879 | £20,411,026 | £20 |
| 39 | Kew Bridge District Centre | 6,550 | 6,550 | - | 750 | 1.89 | £12,681,900 | £15,390,465 | £13,912,027 | £13 |
| 40 | EMC Tower | - | 13,230 | - | 420 | 1.50 | £10,065,000 | £14,283,138 | £12,367,905 | £12 |
| 41 | Lidl Feltham | - | - | 2,450 | 220 | 0.70 | £4,697,000 | £7,370,382 | £7,607,411 | £7 |
| 42 | Land at Hatton Fields | 63,450 | - | - | - | 56.40 | £378,444,000 | £51,884,593 | £45,873,632 | £45 |
| 43 | MOD Feltham | - | 4,340 | - | 1,370 | 14.10 | £94,611,000 | £20,681,878 | £20,145,864 | £20 |
| 44 | Leisure West | - | 480 | 15,080 | 310 | 4.50 | £30,195,000 | £718,583 | £228,009 | £228 |
| 45 | Land south of West International | 34,760 | - | - | - | 14.40 | £96,624,000 | £26,378,528 | £25,694,481 | £24 |
| 46 | 34 Staines Road | - | - | 1,240 | 120 | 0.50 | £3,355,000 | £2,522,298 | £2,367,705 | £2 |
| 47 | Hounslow Bus Garage | - | 1,610 | 12,310 | 830 | 1.10 | £7,381,000 | £24,443,591 | £24,680,381 | £24 |
| 48 | Sainsburys Chislewick | - | - | 5,300 | 300 | 1.80 | £12,078,000 | £16,598,488 | £15,923,078 | £15 |

35. It is also important to note that the LPVA likely underestimates the full commercial liability of the affordable workspace, primarily because there is no resultant discount to the investment yield. In reality the yield should be adjusted to reflect the increased risk associated with letting the affordable workspace. The viability impact is therefore understated by BNPP.
36. BNPP acknowledge that “some” sites are unviable but contend that this is not relevant to testing policies, stating that the purpose is to compare the ‘discount’ and ‘no discount’ scenarios¹. Firstly, given that viability is clearly already challenging for the **majority** of commercial schemes – not just a small number of outliers – this cannot just be disregarded.
37. Secondly, the RLV reductions average at 7% across the tested sites, ranging up to 14% (and likely to be understated). BNPP conclude this is insignificant and “unlikely to prevent schemes from coming forward, when considered in isolation from other policy requirements, all other factors being equal” (emphasis added). PPG makes clear that viability at plan making stage should be used to ensure **that the total cumulative cost of all relevant policies will not undermine deliverability** of the plan (002 Reference ID: 10-002-20190509). The LPVA has not tested the cumulative impact of policy burdens.

¹ More generally, viability testing must consider RLV against BLV, not simply RLV versus RLV, in order to establish the ‘headroom’ available for cumulative policy burdens. Although in this case, many schemes have no such ‘headroom’ at all.

38. As noted within the 2017 GLA Affordable Housing & Viability SPG (paragraph 3.46), a premium above Existing Use Value is required to incentivise the release of sites for redevelopment. The guidance sets this premium at 10-30%. Where schemes are viable, a 7% RLV reduction plus the cumulative total of other policies would entirely eliminate the premium (i.e. incentive to release land) at the lower end of the range. Where schemes are already unviable – as most are – there is no such ‘headroom’ and the introduction of policy is highly likely to result in a direct reduction in delivery.
39. Furthermore, (as raised in SEGRO’s previous representations) there is a clear demarcation in viability between schemes in the Great West Corridor (GWC) and the rest of the Borough (see Figure 3.1 which depicts the viability of tested sites). There is an absence of justification and proportionate viability evidence for the affordable workspace requirements on all commercial and employment developments within the Borough as a whole.

Figure 2: Tested Scheme Viability



Need

40. London Plan Policy E3(C) requires Boroughs to consider evidence of both local need and viability. It also highlights affordable workspace should be focused in areas with established creative clusters, such as Creative Enterprise Zones (CEZ).
41. The Council's own evidence identifies the GWC CEZ as the area where creative industries already concentrate and there is a need for affordable workspace. The evidence available does not demonstrate a defined need in the west of the Borough.

PIL Calculation

42. The proposed PIL calculation reflects 15-years of rent discount (i.e. a series of future financial obligations). Standard valuation practice requires multi-year amounts to be converted into present-day terms using an appropriate discount rate to reflect the time value of money and the risks inherent over that period. The calculation must allow for a

discount rate: without this, the calculation overstates the financial value of the obligation.

Conclusion and Recommendation in relation to Question 12

43. A blanket policy that applies uniform floorspace and discount requirements across all relevant commercial development is **not justified, effective, or compliant with national policy**. Policy ED1 presents a serious risk in undermining the deliverability of the plan and **should be revised to apply to the Great Western Corridor only**.

Table 2: Assessment of Policy

| Source | Requirement | Satisfied? |
|-------------|--|------------|
| NPPF | In order to be sound, policies should be justified, effective and consistent with national policy . | X |
| | Policy should help create the conditions in which businesses can invest, expand and adapt (paragraph 85). | X |
| PPG | Requires viability to be assessed at the plan-making stage to ensure that policies are realistic and the cumulative impact of proposed policies does not undermine the deliverability of the plan. The aim is to minimise the need for viability at application stage. | X |
| London Plan | Detailed policies should be supported by local evidence of need and viability . | X |

Question 13 - Should the expectation that employment development coming forward on allocated sites comply with the minimum development quantum identified in the Plan also be linked to the design-led approach in London Plan Policy D3?

44. It is important the identified sites deliver new employment development. The expectation should be allocated sites comply with the minimum development quantum identified in the Plan. The capacity of the Land at Hatton Fields/ Vacant Land at Dick Turpin Way has been informed by technical surveys and assessments and masterplanning exercise, for example.

Question 17 - When having regard to the previous questions on employment and opportunity areas, is the approach to Green Belt and Metropolitan Open Land (MOL) release in the Policy SD1 (and elsewhere in the Plan) in general conformity with the London Plan 2021 and can the Council explain how it considers that exceptional

circumstances have been demonstrated to justify Green Belt (and MOL) releases to meet both identified needs employment, with regard to each of the following considerations:

- a) **Would as much use as possible be made of suitable brownfield sites and underutilised land that are not currently within the Green Belt (and MOL)?**
- b) **Would the density of development of employment sites that are not currently within the Green Belt (and MOL) be optimised?**
- c) **Has plan-making activity been informed by discussions with neighbouring authorities in its Functional Economic Market Area and/or which fall within the Heathrow OA about whether they could accommodate some of the need for development, as demonstrated through Statements of Common Ground?**

- 45. Yes. SEGRO consider the approach to Green Belt and Metropolitan Open Land (MOL) release in the Policy SD1 (and elsewhere in the Plan) in general conformity with the London Plan 2021.
- 46. Part B of Policy G2 of the London Plan (2021) confirms that exceptional circumstances are required to justify the extension or de-designation of the Green Belt through the preparation or review of a Local Plan. This approach aligns with the aims of Paragraph 145 of the NPPF which states that Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans. We note the Council's evidence is the Green Belt Review Stage 1 (2015) and Stage 2 (2019) work.
- 47. The Council have prepared a Green Belt Background Paper (Incorporating Exceptional Circumstances Assessment) (June 2025) (EBGB1 and 1a), which justifies the Green Belt releases.
- 48. SEGRO supports Appendix 2 of the Local Plan which illustrates land proposed to be released from the Green Belt to meet development needs. This includes Land at Hatton Fields and Dick Turpin Way where 23.22 hectares of Green Belt land is proposed to be released.
- 49. SEGRO has commissioned an update to their Landscape and Visual Appraisal and Green Belt Review (LVA and GBR) to review the proposed allocations and in support of their Regulation 19 representations (see Appendix 4). This was prepared by Stantec (October 2024), to establish the opportunities and constraints to development from a landscape and visual perspective; the suitability of the Sites to accommodate predominantly industrial development; to assess the contribution that Sites A, B, C and D make towards the purposes of the Green Belt as set out in Paragraph 143 of the

NPPF; and the opportunity for the release of the Sites from Green Belt to promote a sustainable pattern of development in accordance with Paragraph 147 of the NPPF.

50. The Green Belt releases for Sites 57 and Site 48 are further supported by the Site Specific Green Belt Assessment of Sites, A, B, C and D, such that the exceptional circumstances referred to by the Council in the Draft Local Plan have been demonstrated, justified and substantiated. Therefore, the removal of the Sites A, B, C and D from the Green Belt equate to the release of weakly performing Green Belt land and would not affect the openness or permanence of the wider Green Belt.
51. Furthermore, the release of the Sites from the Green Belt offers the potential to contribute to a sustainable pattern of development that capitalises on the proximity of the Sites to Heathrow Airport and aligns with the wider strategy for potential development and rationalisation of the Green Belt release within the Local Plan.
52. In our view, the Council's plan-making activity has been informed by discussions with LB Hounslow's neighbouring authorities in its Functional Economic Market Area and which fall within the Heathrow OA about whether they could accommodate some of the need for development, as demonstrated through Statements of Common Ground. These Statements of Common Ground confirm LB Hounslow does not have any spare employment floorspace capacity to assist its' neighbours in meeting their unmet needs, and none of their neighbours can accommodate the employment needs of LB Hounslow.