

Aberdeen Development Activity Report 2018

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Purpose of the Report

The Aberdeen Development Activity Report ('the Report') provides up-to-date information on the City's larger office, hotel, retail and leisure developments that have taken place over the past year. The Report is produced by Aberdeen City Council planning officers and covers the period 1st January 2018 – 31st December 2018. You can view the Report on the council's website via the following web-link:

<https://www.aberdeencity.gov.uk/services/planning-and-building/local-development-plan/aberdeen-local-development-plan/action-programme-and-monitoring>

The Report contributes to the monitoring of the Aberdeen Local Development Plan (LDP) and will help to inform future policy and guidance documents. The LDP and associated guidance supports the Council's Corporate Plan, in particular, the aim of maintaining an up to date planning framework and promoting sustainable development.

1. Office Development

1.1 Introduction

Aberdeen City Council monitors the amount of office space granted planning permission, under construction and completed in the city throughout the calendar year. For a development to feature in this report it must include no less than 500m² of new office floor space, falling within Class 4 (Business) of the Use Classes (Scotland) Order 1997 (as amended).

This chapter accounts for all office development that has been granted detailed planning permission and/or has commenced on site. All applicable development has been separated into the following categories:

- New Business Parks
- Established Business Areas/Other
- City centre

1.2 Overall Summary

Figure 1 shows the significant drop in Class 4 activity between 2015 and 2018; including a 55% decrease in completions during this time. In recent years overall 'employment' (i.e. Class 4, 5, 6) completions in the City had been in excess of 15ha per annum, compared to only 3.4ha during 2016/17 (Employment Land Audit, 2017).

Supply is currently outstripping demand; an increase in both (vacated) secondary stock and excess new-build floorspace is seen in both the office and industrial markets. As a result, speculative building has been minimal during 2018.

	Detailed planning consent granted to 31.12.2018	Under construction 2018	Completions 2018
2018	24,274	6,800	0
2017	22,634	0	48,926
2016	69,988	39,746	16,014
2015	77,357	54,437	102,514

Figure 1: Overall Class 4 floorspace summary 2018 (m²)

1.3 Business Parks

The Aberdeen Local Development Plan (LDP) was formally adopted in January 2017. Shown in Figure 2, a large portion of 'employment' land will sit within business and industrial parks which are strategically located close to key transport hubs and corridors.

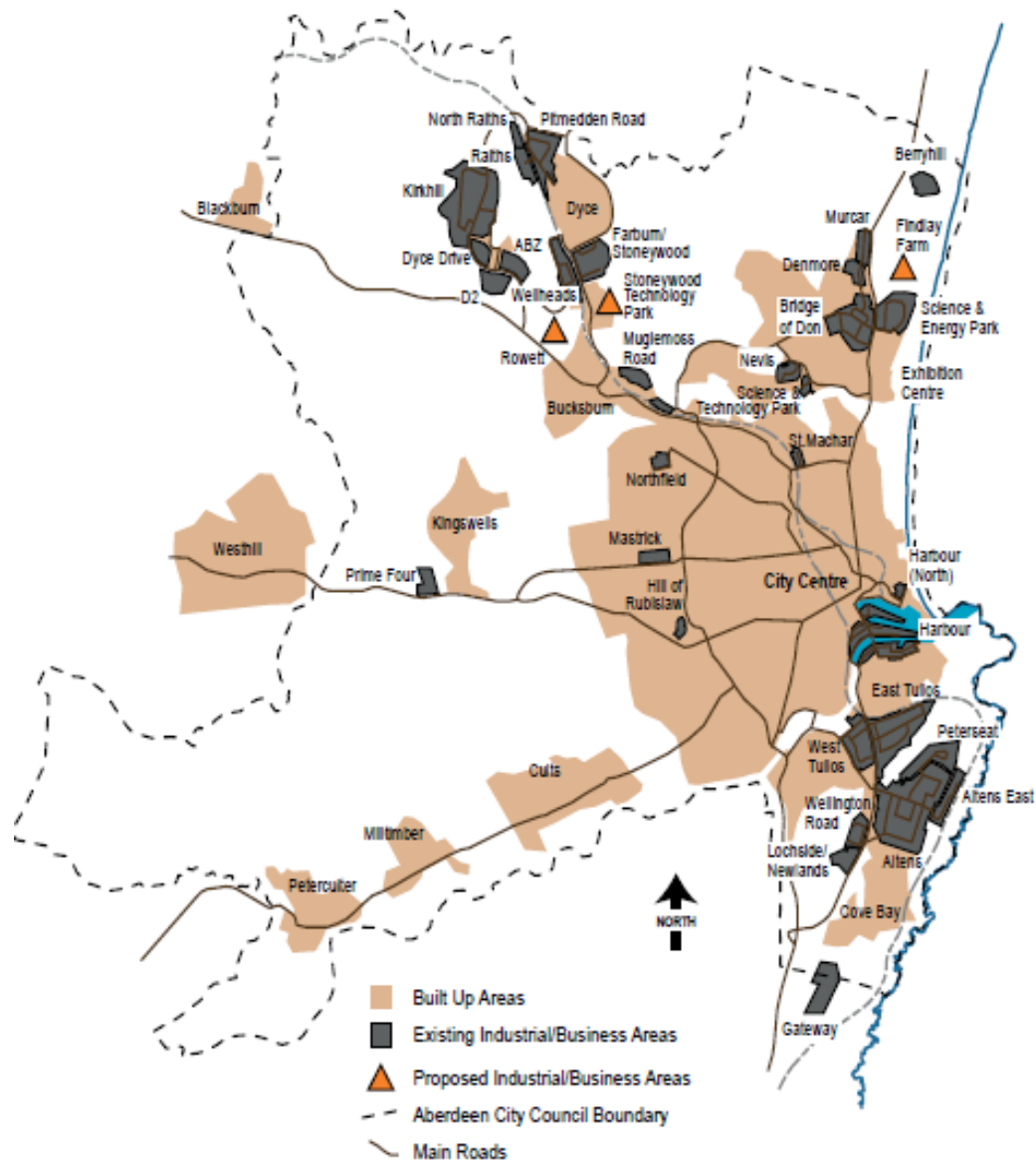


Figure 2: Location of new and existing business and industrial areas

Figure 3 (overleaf) provides a summary of the development history at these business parks. Up to 2015 substantial development was delivered, however, through 2017/18 there has been a decline with only a fraction of the completions.

All of the business parks have planning permission in principle, but only those sites with detailed planning consent for specific buildings/plots have been included in this Report.

Name	Location	Detailed planning consent granted to 31.12.18	Under construction 2018	Completed Pre-2018	Completed 2018
ABZ (OP23)	Dyce Drive	5,195	6,800	10,845	0
D2 (OP23)	Dyce Drive	0	0	6,472	0
Aberdeen International - Phase 1 (OP23)	Dyce Drive	0	0	27,250	0
The Core (OP2/3)	Berryhill/ Murcar	1,747	0	2,881	0
Aberdeen Gateway (OP53)	Cove/ Loirston	0	0	9,404	0
Prime Four (OP29)	Kingswells	0	0	74,772	0
Balmoral Business Park	Wellington Road	0	0	4,350	0
TOTALS		6,942	6,800	135,974	0

Figure 3: Business parks Class 4 floorspace summary 2018 (m²)

1.4 Established Business & Industrial Areas

One trend observed in Aberdeen over the last few years is the considerable amount of office space being developed within established business and industrial areas - or in areas where office use is deemed appropriate - as individual developments. However, in line with the trend outlined through 2017, there have been no completions or developments under construction in these areas this year.

DETAILED PLANNING CONSENT GRANTED / YET TO BE IMPLEMENTED TO 31.12.2018		
102 Hareness Road	Altens Industrial Estate	5,892
TOTAL		5,892
UNDER CONSTRUCTION 2018		

None	
TOTAL	0
COMPLETED DURING 2018	
None	
TOTAL	0

Figure 4: Established business and industrial areas Class 4 floorspace summary 2018

1.5 City Centre

The last 4 years have seen various new office developments progress in Aberdeen's City Centre. Whilst there are no office development under construction or completed during 2018, the office element of the Broadford Works development (Building 6) was granted consent for c. 2,090sq.m. of office floor space.

DETAILED PLANNING CONSENT GRANTED / YET TO BE IMPLEMENTED TO 31.12.2018		
Broadford Works (Building 6)	Marberly Street	2,090
94 Queen's Road	94 Queen's Road	650
60 Queen's Road	60 Queen's Road	650
Aberdeen Douglas Hotel	City Centre	8,500
TOTAL		11,890
UNDER CONSTRUCTION 2018		
None		
TOTAL		0
COMPLETED DURING 2018		
None		
TOTAL		0

Figure 5: City centre Class 4 floorspace summary 2018

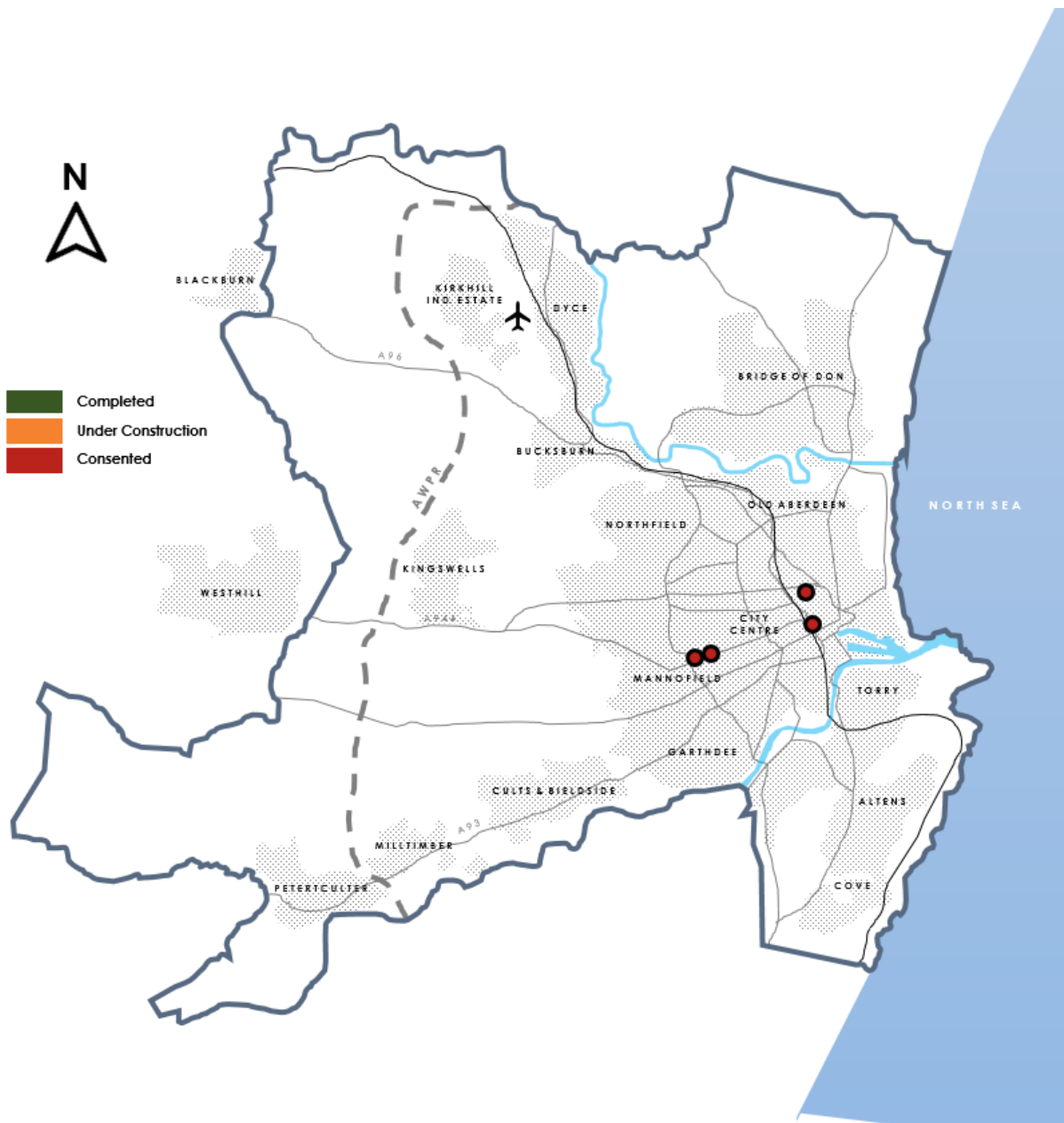


Figure 6: Location of office development 2018

2. Hotel Development

2.1 Introduction

This chapter details new hotel developments that have been completed, commenced or granted detailed planning permission for the year. For a hotel to be included in this report, it must include at least 10 (net) new bedrooms falling under Class 7 (Hotels) of the Use Classes (Scotland) Order 1997 (as amended).

2.2 Overall Summary

Hotel completions in the City this year include the Sandman Signature Aberdeen Hotel, located north of Union Street and to the west of George Street, within the City Centre boundary.

There has been a notable increase in hotel construction this year compared with 2017. This increase is associated with the new Aberdeen exhibition and conference centre (otherwise referred to as TECA) development and associated new build hotels, 'Aloft' and 'Hilton', both of which are due for completion in late 2019 - early 2020.

715 new hotel bedrooms gained consent over the course of 2018. In terms of conversions, a part-conversion of Denburn House (178 bedrooms) and full conversion of Custom House (106 bedrooms) are included. Additionally, a new build, mixed-use development at Atholl House (192 bedrooms) and a new-build development at Poynerook Road – The Grande Phase 2 – (210 bedrooms) are included in this total.

	Detailed planning consent granted to 31.12.2018	Under construction 2018	Completions 2018
2018	1,577	350	218
2017	1,609	200	280
2016	1,295	280	200
2015	1,330	325	399

Figure 7: Hotels summary 2018 (no. of bedrooms)

DETAILED CONSENTS GRANTED / YET TO BE IMPLEMENTED TO 31.12.2018				
Custom House	28 Guild Street	Conversion	106	Approved December 2018
The Grande (Phase 2)	Poynerook Road	New build	210	Approved November 2018
Atholl House	84-88 Guild Street	New build mixed-use development	192	Approved August 2018
Denburn House	20-25 Union Terrace	Conversion	178	Approved April 2018
JD Wetherspoons /Archibald Simpsons	5 Castle Street/2 Lodge Walk	Part-conversion	29	Approved January 2018 (LBC refused Jan 2018)
PRE-2018				
Albyn Bar & Restaurant	11 Albyn Place	Extension to form new hotel	41	Approved March 2017
Hamilton School	55-57 Queen's Road	Extension to form new hotel	61	Approved March 2017
Station Hotel	78-80 Guild Street	Extension	92	Approved July 2017
Marriot International	Argyll Way	Extension	147	Approved Nov 2015
Travelodge	Burnside Drive, Dyce	Replacement hotel	120	Approved April 2017
Premier Inn	Argyll Way	Extension	124	Approved March 2017
Ibis (1b Argyll Way)	ABZ Business Park	New build	156	Approved June 2015
Double Tree Hotel	Beach Boulevard	Extension	25	Approved June 2016
Former Bruce Millers	363 Union Street	Conversion	96	Approved July 2015
TOTAL			1,577	

BEDROOMS UNDER CONSTRUCTION DURING 2018				
Aloft Hotel	New AECC, Greenburn Road, Bucksburn	New build	150	Approved October 2017
Hilton	New AECC, Greenburn Road, Bucksburn	New build	200	Approved March 2016
TOTAL			350	
BEDROOMS COMPLETED DURING 2018				
Sandman Signature Aberdeen Hotel	St. Andrews Street	Conversion	218	Completed
TOTAL			218	

Figure 8: Hotel bedrooms breakdown 2018 (bedrooms)

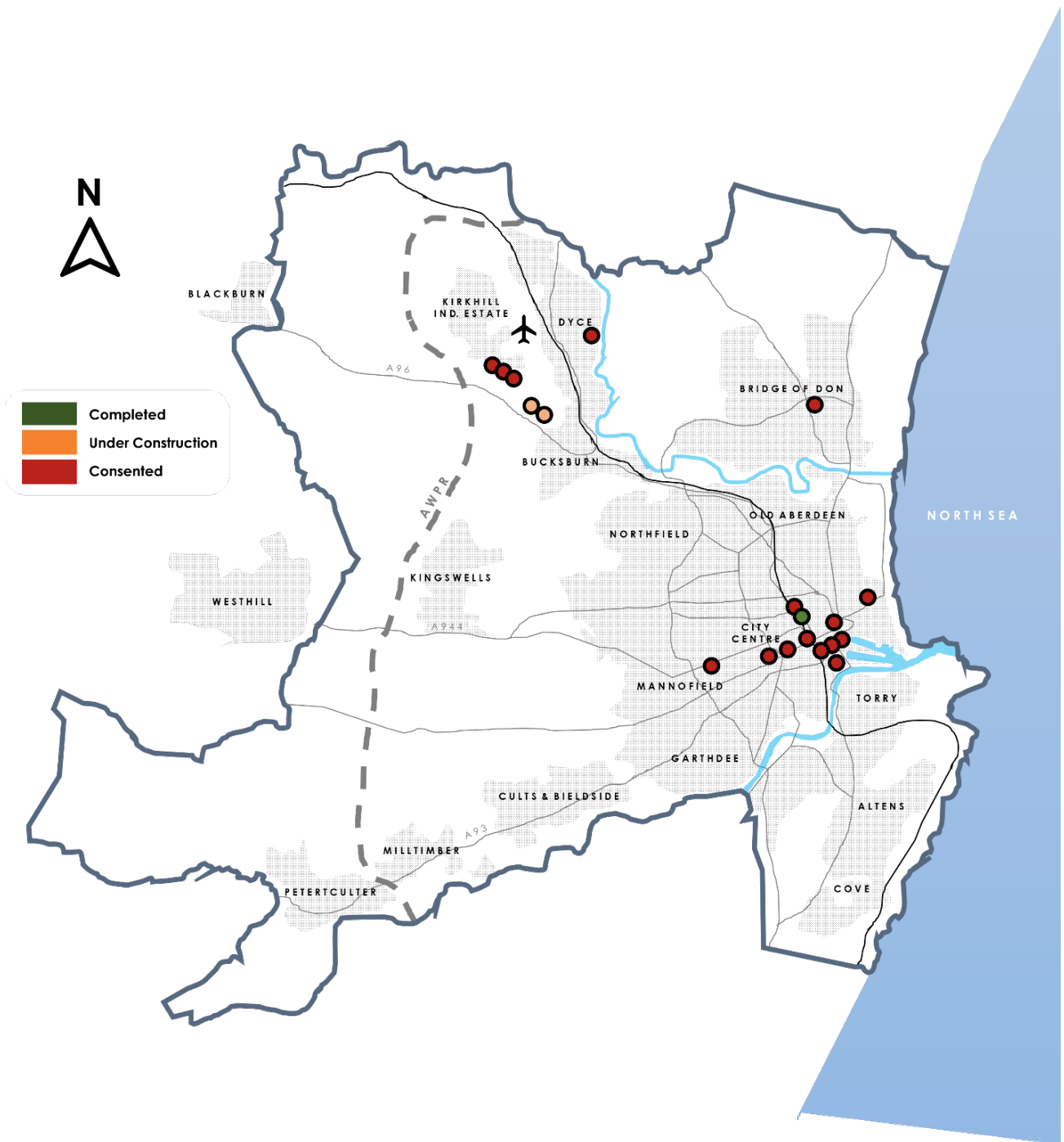


Figure 9: Location of hotel development 2018

3. Retail & Leisure Development

3.1 Introduction

This chapter provides details of Aberdeen's retail planning policy, current retail offer, and commentary on significant retail and leisure developments that have taken place in Aberdeen over the past year.

3.2 Retail Planning in Aberdeen

3.2.1 *Aberdeen and Aberdeenshire Retail Study 2013*

The Aberdeen and Aberdeenshire Retail Study 2013 provides assessment of existing retail provision in Aberdeen City and Shire, and estimates the level of future demand for retail floor space over the next 15 years.

The study shows that there is potential for developing an additional 30-35,000sqm of retail floor space in Aberdeen City Centre by 2022 (this is approximately the same amount offered by the ground floor of Union Square). This potential is being driven by growth in spending as well as a large expected population increase. Additional floor space will also help to prevent leakage and ensure that Aberdeen City Centre retains its position as the primary retail centre in the North East.

The Retail Study also suggests that there is a requirement for additional retail floorspace to serve new development areas on the edge of Aberdeen, including Grandhome, Newhills and West Aberdeen.

A new Retail Study is currently being undertaken and will help to inform the 2022 Aberdeen Local Development Plan.

3.2.2 *Planning Policy for Retail Developments*

At a national level, Scottish Planning Policy 2014 (SPP) states that towns and city centres should be promoted for a mix of uses, including retail, culture, community facilities, leisure, entertainment and recreation as well as homes and offices. When it comes to planning for new retail developments, SPP states that development plans should identify a network of centres, and apply the sequential approach when assessing proposals for new developments that would generate significant footfall.

The Aberdeen Local Development Plan 2017 (LDP) includes a number of policies dedicated to retail which help to guide new retail development to the appropriate locations in the Hierarchy of Centres, and also protects against the loss of retail in established centres.

Within the LDP, Opportunity Site (OP75) at Denmore Road Industrial Estate, Bridge of Don, is identified for Class 1 use, and is specified for bulky goods only. The Makro store on Wellington Road is identified as an Opportunity Site for Class 1 (OP110).

Sites in the City Centre have been identified to help address future floorspace requirements as identified in the Retail Study. These include Aberdeen Market, George Street/Crooked Lane, upper and basement floors on Union Street and Marischal Square. Outside of the City Centre, additional provision to address deficiencies at new mixed-use development sites, including Newhills, West Aberdeen/Countesswells and Grandhome have been identified.

3.2.3 Aberdeen Inspired (Business Improvement District)

A Business Improvement District (BID) is a partnership between a local authority and the local business community to develop projects and services that will benefit the trading environment, but are not a substitute for central and local government investment. They provide funding for projects over and above those provided by the Council. Aberdeen's BID area is shown in Figure 10.

Aberdeen Inspired is the BID body for the City Centre, containing the main retail, office and leisure areas and representing over 700 businesses. Aberdeen Inspired has been operating since 2011 and is expected to continue until at least 2021. The Aberdeen BID works on significantly improving the City Centre on issues such as marketing, appearance, footfall, connectivity, communication and the reduction in crime.



Figure 10: Aberdeen's BID area
(Source: Aberdeen Inspired)

3.2.4 Retail 2017/18

The City Centre contains more than half of Aberdeen's total shopping floor space, making it a vibrant centre for retail activity. In 2017, Aberdeen was 11th in Javelin Group's ranking for 'Top Shopping Venues' in the UK, falling from 10th place in 2015. The City Centre contains a diverse range of shops, with independent stores and

specialist shops concentrated in the West End around Chapel Street, and national high street stores focused in the main malls to the east end of Union Street.

Rank	Venue
1	Manchester
2	Glasgow
3	Leeds
4	Birmingham
5	Liverpool
6	Cardiff
7	Brighton
8	Nottingham
9	Edinburgh
10	Newcastle upon Tyne
11	Aberdeen

Figure 11: Top shopping venues, UK
(Source: Javelin Group, VENUESCORE 2017)

Union Street

We regularly monitor changes, vacancies and new uses on Aberdeen's main retail thoroughfare, Union Street. The sample area that better reflects the retail 'core' of the City Centre is made up of 116 units.

During 2017 the vacancy rates sat an average of 12 units in any given month. This year (2018) the vacancy rate fluctuated between 12 and 17 units, giving a vacancy rate of approximately 17% - a notable increase on 2017's rate of 10%.

Figure 12 shows the number of vacant units within the sample area, obtained through regular surveys throughout 2017. It highlights that the vacancy rates have fluctuated across the year.

Month	Vacant units
Feb	12
Apr	13
July	16
Oct	17
Dec	15

Figure 12: Union Street frontages vacancy rates 2018

Closures on Union Street this year include Nevis Sport (no. 231), Greggs (no. 227), Vodafone (no. 92-94), Coffee Time (no. 253), Hallmark (no. 263), Newsbox (no. 207A), Poundworld (no. 122), and Watstones (no. 3-7 Union Bridge).

New occupiers for 2018 include 'Dr Martens', 'Tom Stronach Hair Salon' and 'Bargain Buys'.

Shopping Centres

Aberdeen City Centre has four principal shopping centres – Union Square, Bon Accord & St Nicholas, and Trinity Centre.

Union Square

Union Square opened in October 2009 and provides nearly 50,000m² of retail and leisure space, making it the largest shopping centre in Aberdeen. It is fully owned by Hammerson, who also have stakes in some of the UK's largest shopping centres including Brent Cross, Birmingham's Bullring and Glasgow's Silverburn. Union Square's lower mall is the focus for retail, comprising around 45 units, primarily national multiples, including New Look, Zara, H&M, Apple, Superdry and Boots.

The centre also includes a 10-screen cinema, a hotel, and a number of restaurants on the Upper Mall, as well as health and beauty units. There are currently two vacant units in Union Square.

Bon Accord Centre (formerly Bon Accord and St Nicholas Centres)

The St Nicholas Centre opened in 1985 and extends to around 10,500m² of retail floorspace. The centre's main entrance is taken from St Nicholas Square, off Union Street. This centre acts as a link between Union Street and the Bon Accord Centre, which opened in April 1990, providing nearly 30,000m² of new floorspace over two levels. There is a direct pedestrian link from the Bon Accord Centre to the neighbouring John Lewis store. In 2018 the two centres were co-branded and unified under one name 'Bon-Accord Centre'.

Retail occupiers include Marks & Spencer, WH Smith and Office in the St Nicholas Centre, and Kurt Geiger, Topshop/Topman, Next and River Island in the Bon Accord Centre.

In terms of food & drink, Bon Accord Centre features a Starbucks and Costa café, a café inside Marks & Spencer, kiosks in the central space of the malls, Pret a Manger, and DiMaggio's. The John Lewis store also has a café.

St Nicholas Square

The Square to the south of the Bon Accord Centre – leading to Union Street – provides some retail and food & drink choice. These include Schuh, TSB, TUI, and a Five Guys restaurant. There is currently one vacant unit in this area (former Gap clothing store).

Trinity Centre

The Trinity Centre opened in 1984 and extends to around 26,000m² with 24 units, including Debenhams, Primark and HMV. Owing to its location, the centre forms a key pedestrian link between Union Street and Union Square, leading to high footfall.

3.2.5 New Retail and Leisure Developments in the City Centre

A planning application (ref: 152005) seeking Planning Permission in Principle was submitted in February 2016 following the submission of a Proposal of Application Notice (PoAN, submitted August 2015) for the extension of Union Square shopping centre to provide additional mixed-use floorspace, car parking and infrastructure. The application was approved in July 2018.

Bon Accord Shopping Centre

Major development is also proposed at the Bon Accord Centre. A PoAN was submitted in July 2016, and a planning application seeking Planning Permission in Principle was submitted in March 2017, and is still pending (ref: 170353). It proposes mixed-use development and associated demolition.

Former Esslemont and Mackintosh department store

Planning permission was granted for a restaurant at 24-30 Union Street (Miller and Carter Steakhouse) which has been operational since Spring 2018.

Marischal Square

The mixed-use development on the former Aberdeen City Council headquarters site was completed during 2017. The first uses opened during late-2017, including the Marriott hotel and Mackies 19.2 ice cream shop & café. Subsequent uses opened during 2018 which includes operators Costa Coffee, Prezzo, All Bar One and Toni Macaroni.

Aberdeen Market Shopping Centre

In February 2019, a planning application was submitted (ref: 190312/DPP) to form a mixed use office-led development (Class 4) (circa 18,000 sqm), with retail (Class 1), financial and professional (Class 2), food and drink (Class 3), public house (Sui Generis) and assembly and leisure (Class 11) uses (circa 750sqm), landscaping, public realm, car parking and associated works. The application is pending.

3.2.6 Retail and Leisure Developments Outwith City Centre

Bridge of Don Retail Park

A new retail development opened during 2017, north of the existing B&Q store, and includes retailers Home Bargains, Carpet Right, and M&S Simply Food. A drive-through Costa coffee unit has also opened in the car-park area.

Grandhome (OP9)

The first phase of this development has commenced with housing completions underway. Retail/leisure elements are likely to follow at a later phase. In 2015 the site was granted Planning Permission in Principle for a mixed-use development of 4,700

homes including town and neighbourhood centres with retail and leisure uses (ref: 131535).

Woodside (Persley Den) (OP25)

Leisure development was granted in principle at this site – as part of a major mixed use development which includes 400 homes (ref: 140835). An application which does not include the retail/leisure element (ref: 161675/MS) was approved in July 2017.

Countesswells (OP38)

Housing completions are currently underway at Countesswells. There have been subsequent applications to the original Planning Permission in Principle approval (ref: 140438) which do not include any retail/leisure element (refs: 160420, 161205/MS, 161501/S42); this is likely to follow at a later phase.

Prime Four Business Park (OP29)

An application Prime Four Business Park for mixed use commercial uses (up to 30,000m²) including retail, food and drink, and other ancillary uses (ref: 161429) was withdrawn from consideration in June 2017.

Aberdeen Exhibition & Conference Centre (AECC), Bucksburn

Construction of the new AECC is underway, with office and exhibition facilities, hotels, and leisure space proposed. Energy uses (Anaerobic Digestion, and Combined Cooling Heating and Power) facility will also be onsite. Completion is expected IN Summer 2019.

Aberdeen F.C. - Kingsford Stadium

A new 20,000 capacity stadium, football academy, community and training facilities was granted planning permission in April 2018. Work on the training pitches and community facilities (phase 2) is well underway with the stadium (phase 1) on hold until suspensive conditions are purified.

4. Further Reading

Aberdeen City Council, in association with Aberdeenshire Council and Scottish Government, publishes several monitoring documents. These can be accessed via the following link –

<https://www.aberdeencity.gov.uk/services/planning-and-building/local-development-plan/aberdeen-local-development-plan/action-programme-and-monitoring>

Employment Land Audit 2018: Aberdeen City and Aberdeenshire Councils carry out an annual audit on the supply and availability of employment land in North East Scotland. The study has a base date of 1st April 2018.

Housing Land Audit 2018: Aberdeen City and Aberdeenshire Councils carry out an annual audit on the supply and availability of housing land in North East Scotland. The study has a base date of 1st January 2018.

Scottish Vacant and Derelict Land Survey 2018: Aberdeen City Council carries out an annual survey to establish the extent and state of vacant and derelict land in the city. The results are usually reported to Scottish Government.

Aberdeen Brownfield Urban Capacity Study 2014: This study helps to identify brownfield sites which may be suitable for residential development. It provides an assessment of the potential of Aberdeen's main urban area to absorb further housing development.

Aberdeen Inspired

Aberdeen Inspired is the Business Improvement District (BID) for the city centre. It contains the main retail, office and leisure areas and represents over 700 businesses.

This Report is published for general information only. Therefore, no legal responsibility can be accepted by Aberdeen City Council or the author for any loss or damage which occurs from the use of the information in this document. You can find out the details of specific applications through our search facility on the planning webpages: <https://publicaccess.aberdeencity.gov.uk/online-applications/>

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