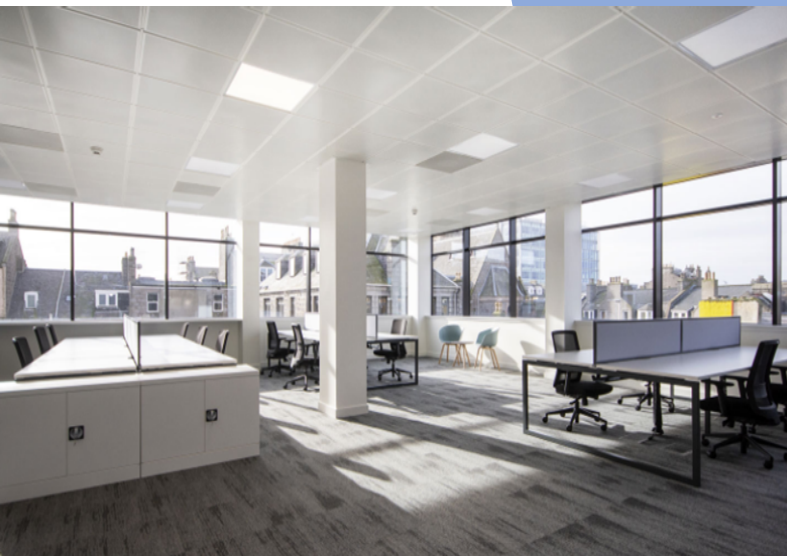




Employment Land Audit 2020/21



Aberdeenshire
COUNCIL



Aberdeen City and Aberdeenshire Councils Employment Land Audit 2020/21:

Background and Purpose

The Aberdeen and Shire Employment Land Audit provides up to date and accurate information on the supply and availability of employment land in the North-East of Scotland. The audit bulletins have been produced by officials of Aberdeen City and Aberdeenshire Councils. The 2020/21 Audit has a base date of 1st April 2021. You can also view the Employment Land Audit document on the Councils' websites:

www.aberdeencity.gov.uk/localdevelopmentplan

[Economy - Aberdeenshire Council](#)

The audit is used to monitor the policies and proposals relating to employment land in the Strategic Development Plan (SDP) and the Aberdeen City and Aberdeenshire Councils' Local Development Plans (LDP). In addition, the information provided in the audit assists in the preparation of economic strategy and policy making and in the implementation of action plans and may highlight areas where further research and analysis is required. The audit is also of interest to companies, developers and other organisations with a requirement for, or interest in, employment land in the North-East of Scotland.

Aberdeen City Council Employment Land Audit 2020/21

Aberdeen City Employment Land Supply 2020/21 in hectares

	2019	2021	Change
Established	274	270	-1%
Constrained	64	64	0%
Marketable	210	206	-2%
Immediately Available	52	49	-6%
Under Construction	0	1	

The established land supply has reduced by only 1% in the intervening period since the 2018/19 Employment Land Audit given that there were only two relatively small-scale completions at greenfield sites within the city area, at Dyce Drive and the Core Business Park, Berryhill. Marketable and Immediately Available land has also fallen by 2% and 6% respectively.

There has been no change in value for employment land considered constrained.

Aberdeen City Past 10 Year Completions in hectares

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
2.1	0.8	17	15.9	15.3	3.4	0	12	0	4.5

Completions over the past two years are significantly below the ten year average of 7.1h per annum. Figures from the last two years are a result of the effects from the ongoing Covid-19 pandemic paired with the general downturn in the North East of Scotland linked to low oil prices and a surplus of recently built city centre office space further pushing down demand. The take up of land over the 2019/20 year was zero.

Aberdeenshire Council Employment Land Audit 2020/21

Aberdeenshire Employment Land Supply 2020/21 in hectares

	2019	2021	Change
Established	548	518	-6%
Constrained	267	281	5%
Marketable	281	237	-16%
Immediately Available	64	56	-13%
Under Construction	1.9	1.2	

The established land supply has reduced by 6% largely due to reassessment of the allocations at both Edzell OP1 and Cairnrobin to reflect changes in the developable areas on these large sites over the past two years. In addition, nearly 9h of employment land have been taken up by new development.

The constrained land supply has increased by 5% which is the net effect of a reduction in the overall established supply and sites moving from the marketable to the constrained supply where they are no longer expected to come forward in the short to medium term. In particular, the allocation of 11.5h at Chapelton OP1 is not expected to come forward until at least the first phase of housing is complete which will take some time at current build rates. Also, an additional 17h at Wellbank North at Peterhead has moved into the constrained supply due to a lack of market demand and the site having been removed from the Proposed Local Development Plan. Over half (54%) of the established supply in Aberdeenshire is constrained at present.

The marketable land supply has decreased by 16% to 237h which is the net effect of some sites moving into the constrained supply and others having been developed over the two year period since the last audit. The take up of sites has also resulted in a reduction of 13% to the land classed as immediately available land within the marketable supply. Between April 2019 and April 2021 almost 9h had been built out and at April 2021 construction was underway on a further 1.2h.

Aberdeenshire Past 10 Year Completions in hectares

2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
18.71	17.35	14.08	16.1	9.02	14.21	15.06	3.39	0.73	8.18

Completions over the past two years are below the ten year average of about 12h per annum but continue the trend from 2018/19 of significantly reduced market demand due to the economic downturn in the North-East of Scotland linked to low oil prices, which has then been exacerbated by the effect of the Covid-19 pandemic. The take up of land over the 2019/20 year was particularly low, with most recent new developments reaching completion during 2020/21.

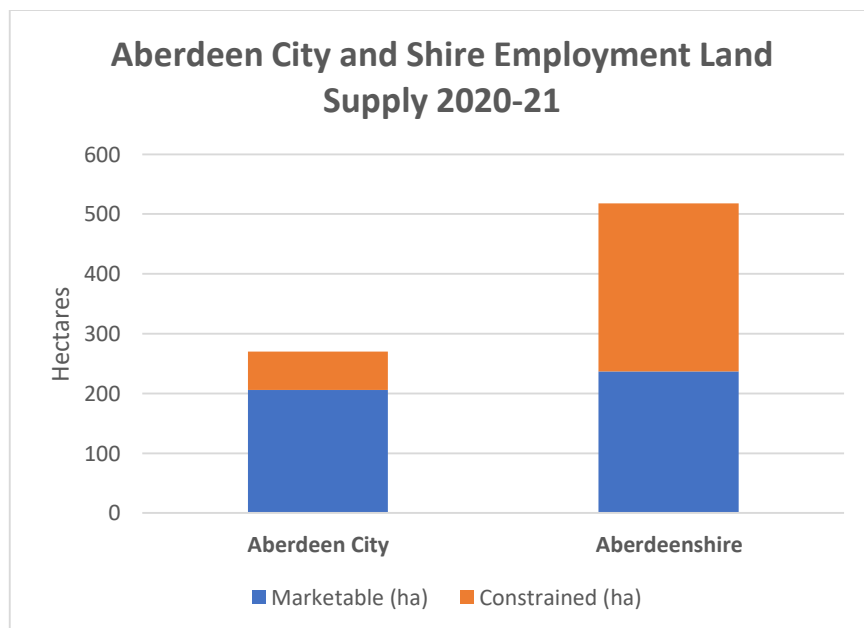
Strategic Development Plan 2020

The Strategic Development Plan (SDP) requirements for employment land supply are as follows:

- 60ha of marketable land available in Aberdeen City
- 60ha of marketable land available in the Strategic Growth Areas of Aberdeenshire

These targets are comfortably achieved and the overall employment land supply in the City and Shire remains generous.

Fig 1: Graph showing Employment Land Supply in Aberdeen City and Aberdeenshire:



The SDP 2020 also states that at least 20h of the marketable employment land in both the City and the Shire combined should be suitable for high quality business use/company headquarters. Within the City there is significant remaining marketable land for this purpose at Prime 4. Within Aberdeenshire there are marketable sites that would potentially be suitable at a number of locations including Inverurie, Kintore, Westhill, Portlethen, and Newtonhill, depending on market demand for this type of development.

Breakdown of Marketable Supply in the Strategic Growth Areas of Aberdeenshire:

Strategic Growth Area	Marketable Supply in hectares
Ellon-Blackdog SGA	17.08
Huntly-Pitcaple SGA	17.66
Inverurie-Blackburn SGA	34.08
Peterhead-Hatton SGA	14.17
Portlethen-Stonehaven SGA	80.69
South of Drumlithie-Laurencekirk SGA	0.57
SGA Total	164.25
Aberdeen HMA Local Growth	19.83
Rural HMA Local Growth	53.19
Local Growth Total	73.02
Aberdeenshire Marketable Supply Total	237.27

Market Activity

In 2019, a relative recovery for the energy sector helped to facilitate the highest occupational take up of office space since the oil crash in 2014. There was strong take up in Q1 of 2020 however this fell dramatically with the first lockdown of the Covid-19 pandemic when oil prices fell from \$64 to \$15 per barrel before recovering back to \$43 per barrel average for the year. Historically the oil and gas sector has been a dominating factor in dictating demand for office and industrial space in the city. The Strategic Development Plan 2020 and Regional Economic Strategy both set out a vision to diversify the economy in the Northeast while facilitating a transition to a net carbon zero city. Other significant sectors, such as food and drink and life sciences, and beginning to take a more prominent role in shaping demand.

Notwithstanding these challenges and despite a 14% drop of from 2019, 2020 was the second-best year for office occupational take up since 2014. There is a noticeable trend towards moving from older space such as townhouse cellular offices to Grade 'A', modern and energy efficient offices. Prime City Centre headline rents are expected to remain steady into 2022.

The Covid-19 pandemic has led to a number of companies to undertake strategic reviews of their office occupational requirements. A blended approach to office and home working is to be adopted by many firms which has likely influenced demand since the beginning of the pandemic. Further significant office space is unlikely to be built unless a pre-let is secured while sustained market recovery has not been possible up to the 1st of April 2021.

With regards to industrial floor space, take up in 2020 was above the 5-year average, boosted by Amazon who took up a ground lease of a 6.67-acre site. During 2020 there was however a large number of undesirable industrial properties sold at auction. The ongoing challenge is that a significant part of the supply is no longer fit for purpose, with many sites too large or at the end of their economic life cycle.

[OFFICES - The Aberdeen Report 2021 \(knightfrank.com\)](#)

[INDUSTRIAL - The Aberdeen Report 2021 \(knightfrank.com\)](#)

Further Information

Further information on properties and sites in Aberdeen City and Aberdeenshire is available from the following sources:

1. The 2019-2020 Aberdeen Industrial Areas Guide:

<https://www.aberdeencity.gov.uk/services/strategy-performance-and-statistics/statistics-and-information/place>

2. The 2019 Scottish Annual Vacant and Derelict Land Survey (published April 2020):

[Scottish Vacant and Derelict Land Survey 2019 - gov.scot \(www.gov.scot\)](#)

3. The Aberdeen City Council Vacant and Derelict Land Survey 2018 Report

https://www.aberdeencity.gov.uk/sites/default/files/2019-03/Scottish%20Vacant%20and%20Derelict%20Land%20Survey%202018_0.pdf

4. Scottish Assessors Grampian Valuation Roll:

<https://www.saa.gov.uk/grampian/>

5. Aberdeen City Council Development Activity Report 2018

<https://www.aberdeencity.gov.uk/sites/default/files/2019-07/Development%20Activity%20Report%202018.pdf>