

Aberdeen Development Activity Report 2016

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PURPOSE OF REPORT

The Aberdeen Development Activity Report provides up-to-date information on the city's larger office and hotel developments, and retail and leisure developments that have taken place over the past year. The Report has been produced by officials of Aberdeen City Council. The 2016 Report has a base date of 1st December 2016. You can also view the Aberdeen Development Activity Report on the council's website:

<http://www.aberdeencity.gov.uk/localdevelopmentplan>

Please note that this Report has replaced previous Office & Hotels and Retail & Leisure Bulletins.

The Report contributes to the monitoring of the Local Development Plan and will help to inform future policy and Supplementary Guidance documents. The Local Development Plan and associated Supplementary 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 DEVELOPMENTS

1.1: INTRODUCTION

Aberdeen City Council monitors the amount of office space being granted planning permission and built in the city throughout the year. For a development to be included in this report, it must include at least:

- 500m² new floor space for Class 4 (office)

This chapter highlights office developments that have commenced or been granted detailed planning permission. These have been categorised according to their broad location/type as follows:

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

1.2 OVERALL SUMMARY – CLASS 4 FLOORSPACE 2016 (M²)

Figure 1: Summary of Class 4 floorspace (m²) 2016

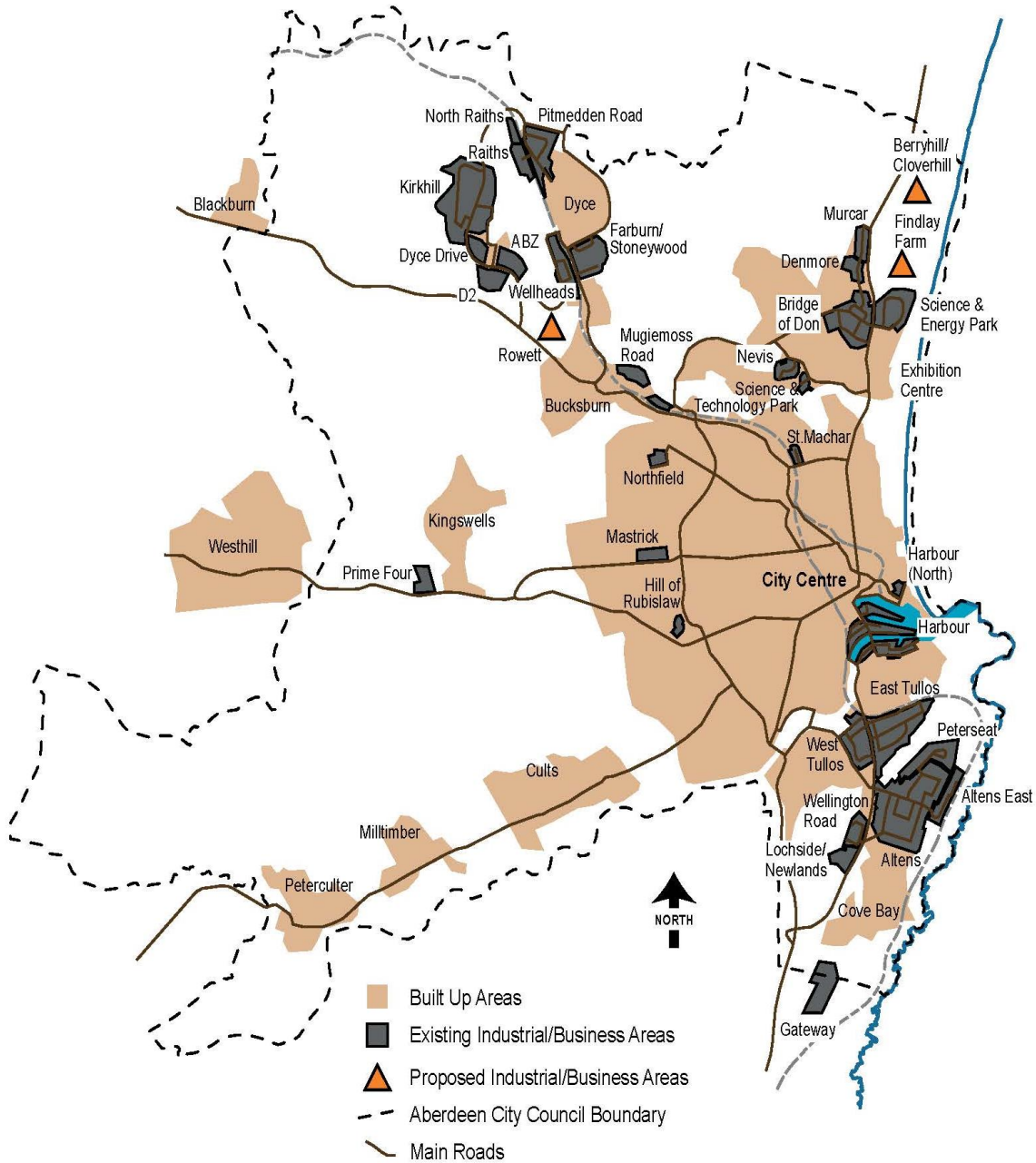
	Completed	Under Construction as of 1.12.16	Detailed Planning Consent Granted as of 1.12.16
2016	16,014	39,746	69,988
2015	102,514	54,437	77,357
2014	110,987	70,114	101,333

2016 has been yet another slow year for office construction in Aberdeen. Although the price of a barrel of oil has increased from \$36 in December 2015 to the present \$51 (on 1st December), this has resulted in little change in Aberdeen's office market. 16,014m² class 4 floorspace has been completed and 39,746m² is currently under construction. In addition, there is currently 69,988m² class 4 floorspace that has planning consent and is awaiting commencement on site. When compared with the previous two years it is clear that there has been a substantial decline in class 4 office space development in Aberdeen.

The progress in Aberdeen's new business parks has been somewhat slow this year with only two major completions: one at Prime Four and one at The Core. Similar to last year, established business parks have seen a continued decrease in popularity as locations for office developments. This is highlighted by no further developments this year being located in these areas. On the other hand, 2016 has seen several office developments taking shape

in the City Centre. These include Muse Development's 'Marischal Square' on Broad Street which is due to be completed in Summer 2017 and Knight Property Group's 'The Capitol' on Union Street which was completed this year.

Figure 2: Location of new business parks and existing business and industrial areas in Aberdeen



The Aberdeen Local Development Plan (2012) released a significant amount of greenfield land for employment use. The majority of this is being developed in the form of large, standalone business parks, which are strategically located close to key transport hubs and corridors (see Figure 2).

Figure 3 provides a summary of the on-going development at these business parks. In 2015 substantial progress was made, however, this year there has been a decline with only 6,834m² completions. All of the business parks have planning permission in principle, but only those sites with detailed planning consent for specific buildings have been included in this Report.

Prime Four

- ❖ Recently completed Plot 9 has new occupiers: Anderson Anderson Brown (A²B).
- ❖ A PoAN was submitted in 2015 for Phase 4 office and employment land development ([P151437](#)).

The Core

- ❖ Plot 4C which was completed this year already has named occupiers: HVAC and HTTEAC
- ❖ Plots 5 and 6, which are due for completion next year have named occupiers – Sonomatic.
- ❖ Plot 11 which was also completed this year stands currently unoccupied.

Balmoral

- ❖ Although 4,350 m² was completed in 2014, it has not been fully occupied and is still being marketed.

Aberdeen International

- ❖ There is a pending application for 59,030 m² office space with a 150-bed hotel ([P140474](#)).

Figure 3: New Business Parks (Class 4m²)

Name	Location	Completed Pre-2014	Completed 2014	Completed 2015	Completed 2016	Under Construction As of 1.12.16	Detailed Planning Consent As of 1.12.16
ABZ (OP32)	Dyce Drive	2,693	2,537	5,615	0	0	5,195
D2 (OP32)	Dyce Drive	0	0	6,472	0	0	0
Aberdeen International-Phase 1 (OP32)	Dyce Drive	0	0	27,250	0	0	0
The Core (OP2/3)	Berryhill/Murcar	0	0	0	2,039	842	2,304
Aberdeen Gateway (OP69)	Cove/Loirston	3,134	3,995	2,275	0	0	0
Prime Four (OP40)	Kingswells	0	44,313	14,874	4,795	10,790	0
Balmoral Business Park	Wellington Road	0	4,350	0	0	0	0
Totals		5,827	55,195	56,486	6,834	11,632	7,499

1.4 ESTABLISHED BUSINESS & INDUSTRIAL AREAS

Although Aberdeen's business parks are very significant in scale, the last few years have seen a considerable amount of office development in the city taking the form of individual developments within established business and industrial areas, or other built up areas where office use is deemed appropriate. This year there has been no completions or developments under construction in these areas. Figure 4 provides further information.

Figure 4: Established Business and Industrial Areas (Class 4 m²)

Name	Location	Size	Status
N/A	N/A	0	Completed
Total Completed 2016		0	
N/A	N/A	0	Under Construction
Total Under Construction as of 1.12.16		0	
Kingswells Veterinary Hospital (Ardene House)	Skene Road	17,129	Consent
102 Hareness Road	Altens Industrial Estate	5,162	Consent
49 York Street	York St Training Centre	2,340	Consent
Crawpeel Road (Total Site)	Altens Industrial Estate	23,468	Consent
Rubislaw Quarry	Hill of Rubislaw	10,840	Consent
34-36 South Esplanade West	South Esplanade West	2,250	Consent
Total Planning Consent Yet to be Implemented as of 1.12.16		61,189	

1.5 CITY CENTRE

In the past 3 years Aberdeen has seen major office developments in the City Centre and it has not been any different in 2016. There are several office developments underway and a few more progressing through the planning system (see Figure 5).

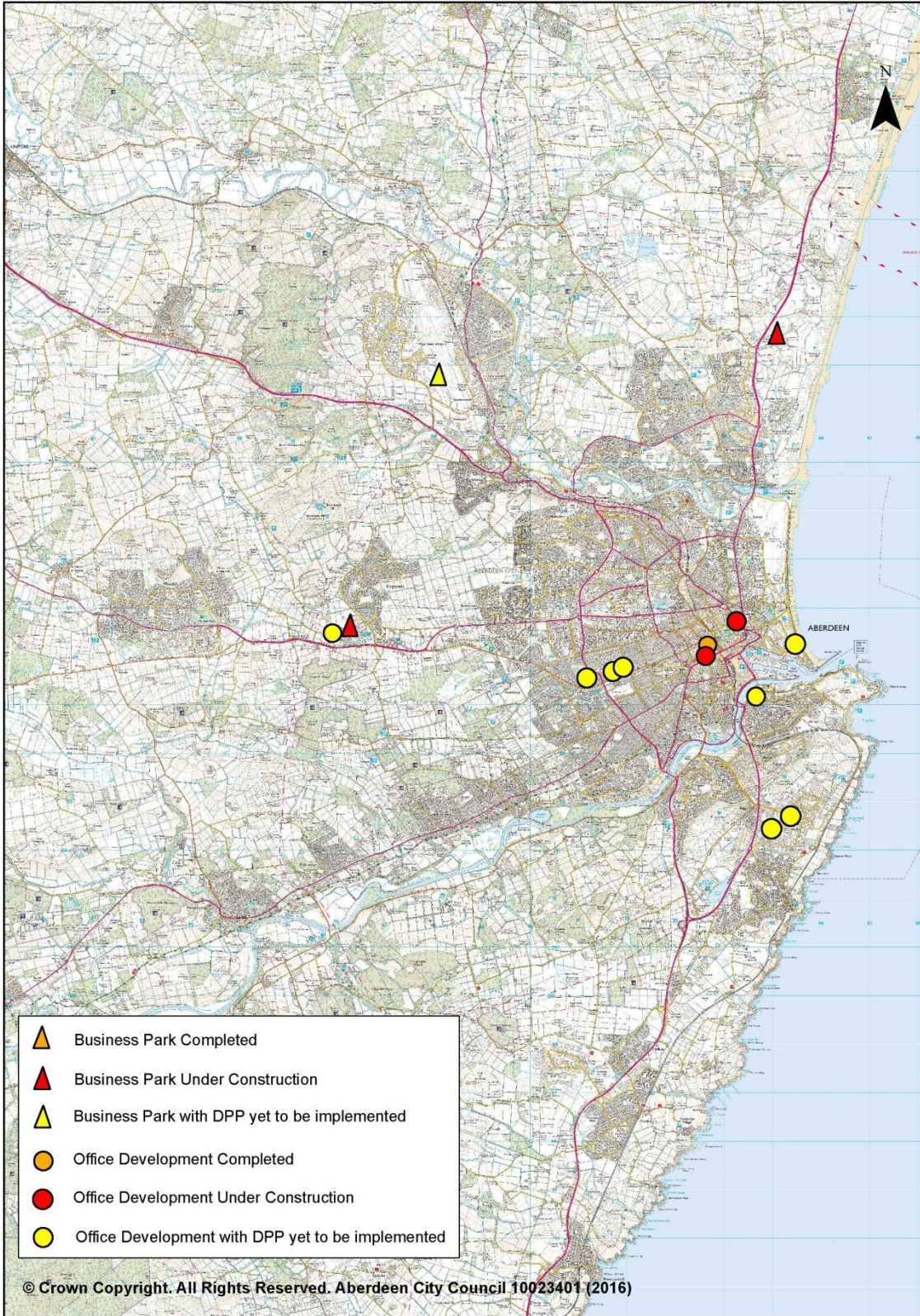
Triple Kirks which had consent for 6,750m² of office space has been removed from the table as there was an application for 342no student accommodation on the same site that was approved conditionally in December 2015. Also, the planning permission for the office consent has lapsed.

Greyfriars John Knox Church, which had consent for 1,436m² of office space has also been removed from the table as the consent has lapsed.

Figure 5: City Centre (Class 4 m²)

Name	Location	Size	Status
The Capitol	Former Capitol Cinema, Union Street	9,180	Completed
Total Completed as of 2016		9,180	
The Silver Fin	Former Bells Hotel, 445-461 Union Street / 16 Justice Mill Lane	11,850	Under Construction
Marischal Square	Broad Street	16,264	Under Construction
Total Under Construction as of 1.12.16		28,114	
60 Queen's Road	Queen Street/ West End Office Area	650	Consent
94 Queen's Road	Queen Street/ West End Office Area	650	Consent
Total Planning Consent Yet to be Implemented as of 1.12.16		1,300	

Figure 6: Location of Office Developments and Business Parks 2016



2: HOTEL DEVELOPMENTS

2.1 INTRODUCTION

This chapter describes 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 for Class 7 (hotel)

2.2 OVERALL SUMMARY – HOTEL BEDROOMS 2016

Figure 7: Summary of hotel bedrooms 2016

	Completed	Under Construction As of 2016	Detailed Planning Consent Granted As of 2016
2016	200	280	1,295
2015	399	325	1,330
2014	148	378	422

This year has seen a slight decline in hotel construction. There have been 200 hotel bedroom completions which all took place at the recently opened Moxy Hotel at ABZ Business Park. The figure for hotel bedrooms under construction as of 2016 stands at 280. This is made up of Marriott at Marischal Square and Hampton by Hilton at D2 Business Park. Both hotels are due to be completed by Summer next year.

There are 1,295 hotel bedrooms that have consent as of 2016. A couple of the hotel developments with planning consent are located in close proximity to the airport. Take for example Ibis which is located at ABZ Business Park and the extension of Premier Inn which is located next to Aberdeen International Airport. In comparison to 2015, this year has seen a minor decrease in the number of consents for hotel developments with 1,295 bedrooms awaiting construction. Several of these are located within the City Centre, with most of them being extensions that include Double Tree, Copthorne and Station Hotels. There are also new build consents at Schoolhill and Union Glen. In the Bridge of Don area Snoozebox still has its consent for a 160-bed unique and innovative portable hotel. This year has also seen a new consent for a replacement Travelodge on Burnside Drive in Dyce.

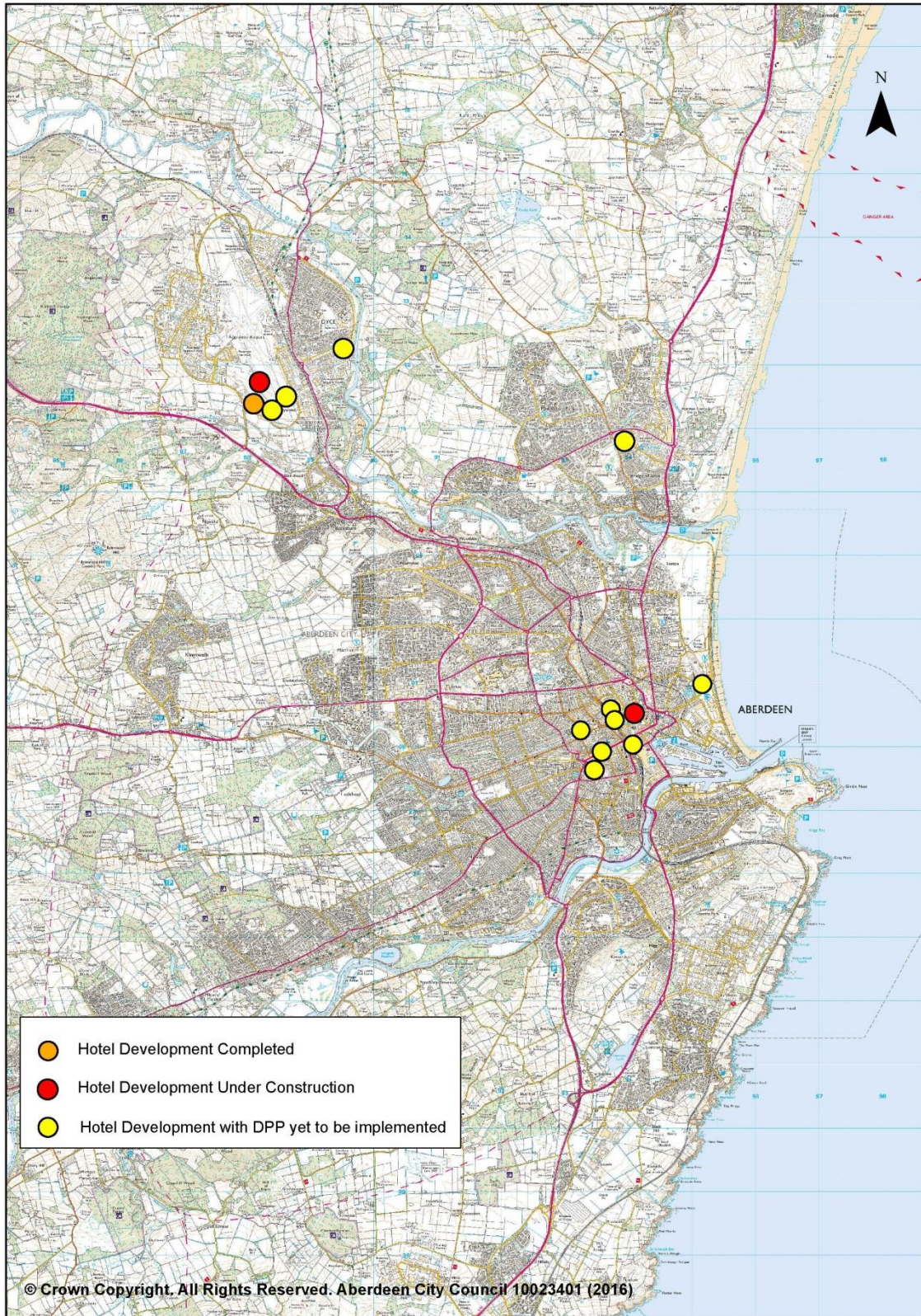
2.3 HOTEL DEVELOPMENTS IN ABERDEEN IN 2016

Figure 8: Hotels (Bedrooms)

Name	Location	Type	Beds	Status
Moxy Hotel (1 Argyll Way)	ABZ Business Park	New Build Hotel	200	Complete
Total Hotel Bedrooms Complete			200	
Marriott	Broad Street	New Build Hotel	125	Under Construction
Hampton by Hilton	D2 Business Park (Plot 9)	New Build Hotel	155	Under Construction
Total Hotel Bedrooms Under Construction as of 1.12.16			280	
Former Bruce Millers	363 Union Street	Conversion	96	Consent
122 John Street	122 John Street	Conversion	182	Consent
Station Hotel	78-80 Guild Street	Extension	92	Consent
Copthorne Hotel	122 Huntly Street	Extension	14	Consent
Double Tree Hotel	Beach Boulevard	Extension	25	Consent
Premier Inn	Argyll Way	Extension	124	Consent
Ibis (1b Argyll Way)	ABZ Business Park	New Build Hotel	156	Consent
Units 1-3 Union Glen	Union Glen	New Build Hotel	71	Consent

Malmaison (Former RGU Student Union)	54-70 Schoolhill	New Build Hotel	255	Consent
Travelodge	Burnside Drive, Dyce	New Build Hotel	120	Consent
Snoozebox	4 Greenhole Place	Temporary Accommodation	160	Consent
Total Hotel Bedrooms Consents yet to be implemented as of 1.12.16				1,295

Figure 9: Location of Hotel Developments 2016



3: RETAIL AND LEISURE DEVELOPMENTS

3.1 INTRODUCTION

This chapter provides details of Aberdeen's retail planning policy, current retail offer, and commentary on the most 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.

3.2.2 Planning Policy for Retail Developments

At a national level, Scottish Planning Policy (SPP) 2014) states that town 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 Local Development Plan 2012 includes a number of policies dedicated to retail which will 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. Retail Centre Health Checks were also carried out in 2016, which monitor the health of all retail centres in Aberdeen.

3.2.3 Proposed Local Development Plan

On 16th November 2015, Aberdeen City Council submitted the Proposed Aberdeen Local Development Plan (ALDP) 2015 to Scottish Ministers for Examination. The Proposed Plan represents the Council's firm view of what should be included in the

next adopted ALDP. It has gone through several stages including public consultation. On 23rd September 2016, the Scottish Government Reporters issued the ALDP Examination Report. Approval to adopt the LDP will be sought at the Full Council meeting of 14 December 2016. The actual adoption date is likely to be around the third week in January 2017.

The Proposed Plan contains several new retail-related proposals:

- ❖ A new Opportunity Site at Denmore Road Industrial Estate, Bridge of Don, identified for Class 1 use (specified for bulky goods only);
- ❖ The current Makro store site on Wellington Road is now identified as an Opportunity Site for a new supermarket, replacing the Thistle Hotel site as the preferred location for a new supermarket to serve the south of the city. The site had consent for a new IKEA concept store and a smaller convenience retail unit. This was completed in Spring 2016. IKEA already occupies one unit however the other unit is currently unoccupied ([P140924](#)).
- ❖ 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; and
- ❖ Additional provision to address deficiencies at new mixed-use development sites, including Newhills, West Aberdeen/Countesswells and Grandhome.

3.2.4 Aberdeen Inspired (Business Improvement District)

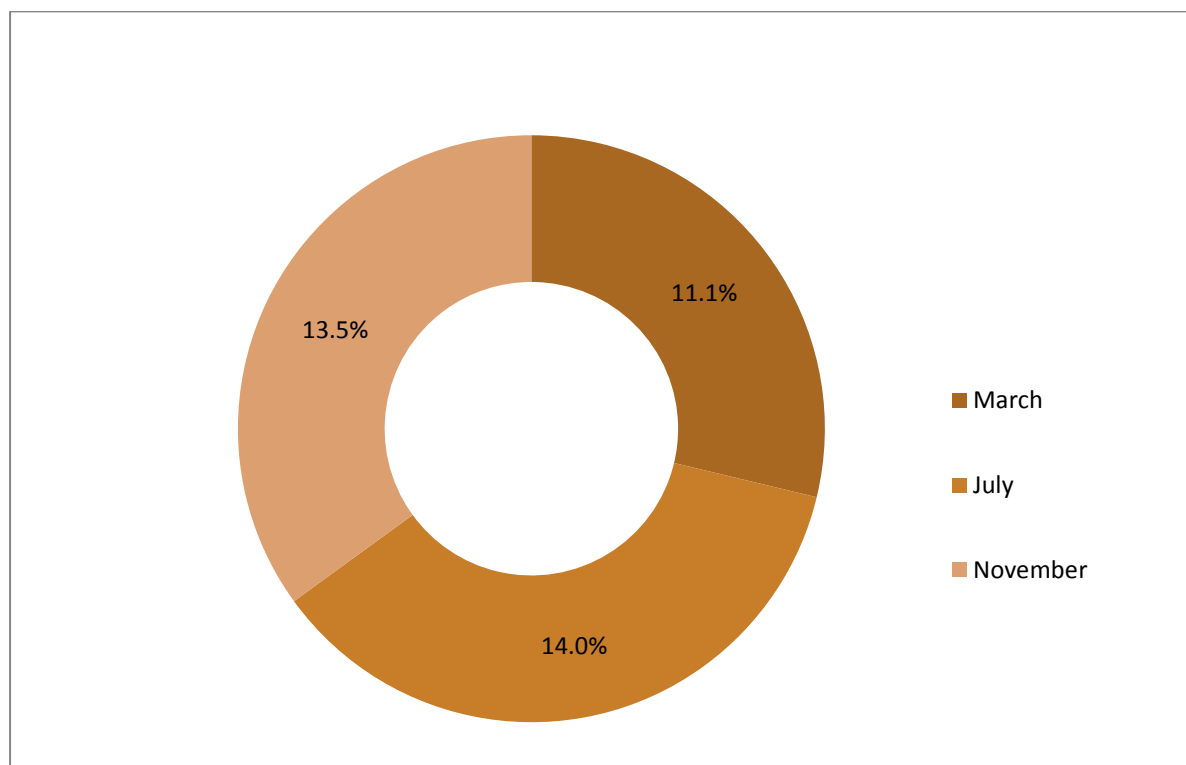
A Business Improvement District (BID) is a partnership between a local authority and the local business community, to develop projects and services that will benefit the trading environment. BIDs are not a substitute for central and local government investment. They provide funding for projects over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

Aberdeen Inspired is the BID for the city centre, containing the main retail, office and leisure areas and representing over 700 businesses. Aberdeen Inspired has been operating for an initial period of 5 years up until 2016, following the successful ballot of businesses in 2011. In February 2016 businesses got the opportunity to evaluate the BID's impact and vote for or against its operation in a ballot. This was successful and allows the BID to be in operation for a further 5 years.

The Aberdeen BID will work on significantly improving the city centre on issues such as marketing, appearance, footfall, connectivity, communication and the reduction in crime.

as Chaophraya (Thai restaurant) which replaced the unit previously occupied by The Monkey House Bar and Restaurant, and shoe shop Size?. Chinese noodle bar Chopstix is another new restaurant addition onto the high street. It occupies what used to be Pizza Hut and had been vacant since 2011.

Figure 11: Union St Frontages Vacancy Rates 2016



Shopping Centres

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

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, Next and Boots. A new addition to the shopping mall this year is make-up store Kiko Milano. There have also been new kiosk additions which include The Amazing Chocolate Workshop which is on a temporary let. There is currently 1 vacant unit in the lower mall.

The centre also includes Aberdeen's only 10-screen cinema, a hotel, and a number of restaurants on the Upper Mall, as well as health and beauty units. Bar Burrito is a

new restaurant addition this year. There are currently no vacant units in this part of the Mall. Union Square also comprises an outdoor retail park element of 11 units, 2 of which are currently vacant. Some of the current occupiers in the retail park include TK Maxx, M&S Home, Hobbycraft and recently opened Toys R Us.

Bon Accord and St Nicholas Centres

The St Nicholas Centre opened in 1985 and extends to around 10,500m² of retail floorspace. The centre is located on the prime pitch with its main entrance taken from St Nicholas Square, accessed from Union Street. The 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.

Occupiers for the centres include Marks and Spencer, H&M and Office in the St Nicholas Centre, and Boots, Monsoon, Next and Disney Store in the Bon Accord Centre. There are currently 2 vacancies on the lower Mall in the Bon Accord Centre. Pop-up store Toys R Us closed its doors after occupying one of the units for 12 weeks. Café Tempo has recently occupied this space of the mall. The Bon Accord Centre also includes a number of cafés and restaurants on its upper level, including Pret, DiMaggio's, and Yo Sushi, as well as a number of take-away food and drink kiosks on its lower level. Ed's Easy Diner which opened last year in the upper level was closed this year, leaving 1 vacant unit.

St Nicholas Square

Five Guys restaurant chain and shoe shop Schuh have occupied what used to be GAP and was vacant for approximately one year.

Trinity Centre

The Trinity Centre opened in 1984 and extends to around 26,000m² with 24 units, including Debenhams, Primark, Waterstones and HMV. Owing to its location, the centre forms a key pedestrian link between Union Street and Union Square, leading to high footfall. There are currently 3 vacant units. This year, the centre has seen the opening of one new unit, Café Vitamin and several kiosks – Instep Fashion, ClickHeat and Real Image Canvas. The kiosks are there on a temporary basis until the end of January 2017.

3.2.6 New Retail and Leisure Developments in the City Centre

Union Square

- ❖ Plans have been announced to expand its retail and leisure space by a further 5,000m², including additional parking and a hotel. This expansion will include a reconfiguration of part of the existing shopping area. A Proposal of Application Notice (PoAN) ([P151362](#)) was submitted to the Council in August 2015. A subsequent application in principle has been submitted ([P152005](#)).

Bon Accord Shopping Centre

- ❖ Planning permission was granted for a change of use from 11 retail units to 7 new restaurants. In addition to this, the proposal includes a 7 screen cinema and the opening up of Drum Lane with connections to the existing courtyard ([P141192](#)).

Former Esslemont and Mackintosh department store

- ❖ Permission was granted for a restaurant. This is currently under construction ([P151254](#)).

Marischal Square

- ❖ Construction is currently ongoing at former Aberdeen City Council headquarters on Broad Street. The development will be home to over 2,000m² of retail (Class 1) and restaurants (Class 3), as well as office space and new 4-star hotel Marriott (see Chapters 1 & 2). All Bar One and Prezzo have confirmed that they will each occupy a unit at the Square ([P140698](#)).

56 Justice Mill Lane

- ❖ Approval was granted for a change of use from Class 11 (leisure/entertainment) to a mixed use of public house and restaurant ([P151356](#)).

The Academy Shopping Centre

- ❖ New Bar/Restaurant Revolución de Cuba was completed this Autumn ([P151788](#)).

13 Chapel Street

- ❖ Vacant office space that was marketed for over 10 months got planning permission for a change of use to retail with a floorspace of 78m² ([P160827](#)).

3.2.7 Retail and Leisure Developments Outwith City Centre

Beach Esplanade

- ❖ A 2 storey building accommodating several restaurants and a hot food take-away with an outdoor sitting area was approved. This is currently under construction and is due to open early 2017 ([P150225](#)).

Berryden Retail Park

- ❖ A retail unit of 114m² has been approved for change of use to a gym ([161335/DPP](#)).

Stoneywood Estate

- ❖ Single storey gym of approximately 77m² was approved in September ([P150186](#)). This was completed in March 2016.
- ❖ Marks and Spencer has been completed. It is set to open early December ([P151481](#)).

Bridge of Don Retail Park

- ❖ Approval was given to the refurbishment of the existing retail terrace and formation of a new mezzanine and a coffee pod unit ([P151324](#)).

Nether Anguston, Peterculter

- ❖ This riding school is currently under construction. It includes an indoor riding arena, an outdoor riding area and a stable building providing accommodation for 63 horses ([P150110](#)).

Kirkhill Industrial Estate

- ❖ Approval was granted for a change of use from light industrial unit to a gym/fitness centre ([P151524](#)).

Grandhome (OP12)

- ❖ The first phase of this development is about to begin. There is a pending application which does not include any retail/leisure element ([161702/MSC](#)). This is 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 ([P131535](#)).

Woodside (Persley Den) (OP135)

- ❖ There is a pending application which does not include the retail/leisure element ([161675/MSC](#)). Leisure development was granted in principle at this site – this is expected to be part of a mixed use development that includes 400 homes ([P140835](#)).

Countesswells (OP58)

- ❖ Approval was granted in principle this year for a mixed-use development of 3,000 homes including retail/leisure uses ([P140438](#)). There have been subsequent applications which do not include any retail/leisure element ([P160420](#), [161205/MSC](#), [161501/S42](#)). This is likely to follow at a later phase.

Prime Four Business Park (OP40)

- ❖ A new application has been lodged at Prime Four Business Park for mixed use commercial uses (upto 30,000m²) including retail, food and drink, and other ancillary uses ([P161429](#)).

Large Development Sites

- ❖ Proposals for a number of the large new development sites around Aberdeen, including Cove, Craibstone, Dubford and Rowett South are currently working their way through the Masterplanning process and planning application system. Many of these include retail provision as part of their mixed use element, which is likely to be a mix of convenience and comparison floorspace.

4: FURTHER READING

Aberdeen City Council, in association with Aberdeenshire Council and Scottish Government publishes several monitoring documents.

[Employment Land Audit 2015](#)

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.

[Housing Land Audit 2016](#)

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 31st December.

[Scottish Vacant and Derelict Land Survey 2015](#)

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 2012](#)

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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