

aberdeen development activity report

2017

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Purpose of the 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 is produced by officers of Aberdeen City Council and has a base date of 31st December 2017. You can also view the Aberdeen Development Activity Report on the council's website:

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

This Report follows the 2016 Report, which 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 2017 (m²)

Figure 1: Summary of Class 4 floorspace (m²) 2017

	Completed	Under Construction to 1.12.17	Detailed Planning Consent Granted to 1.12.17
2017	48,926	0	22,634
2016	16,014	39,746	69,988
2015	102,514	54,437	77,357
2014	110,987	70,114	101,333

The impacts of the fall in oil price towards the end of 2014 (from over \$100 per barrel, to below \$40 per barrel in early 2016) continued to impact the local area during 2016/17. In the 2016/17 financial year, the price per barrel increased slightly and remained steady, closer to \$50 per barrel. It is hoped that ongoing price stability at above \$50 per barrel, together with the vast reduction in operating costs achieved over the last two years, will result in a return to viability and a gradual recovery for North Sea oil.

Figure 1 shows the significant drop in Class 4 activity between 2014 and 2017; 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 2017. Take-up has reportedly increased by 85% on year 2016 though, attributed to the rise in oil price (CBRE Scotland, 2018).

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 3 (overleaf) provides a summary of the development history at these business parks. Up to 2015 substantial development was delivered, however, through 2016/17 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.

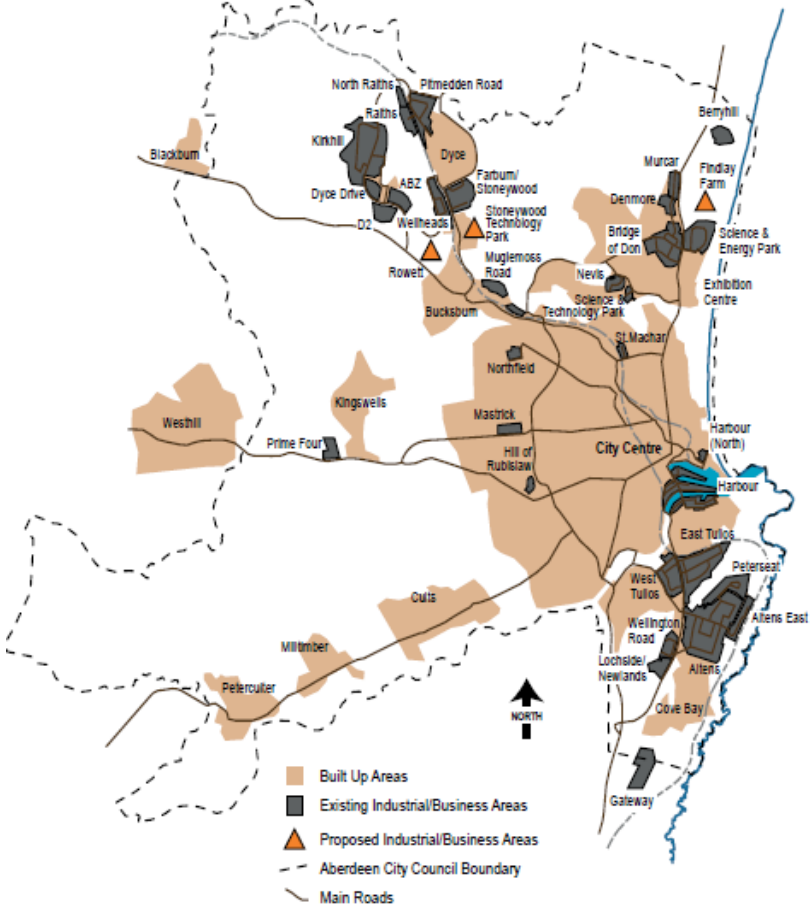


Figure 2: Location of new and existing business / industrial areas

Figure 2: New Business Parks Class 4 (m²)

Name	Location	Completed Pre-2015	Completed 2015	Completed 2016	Completed 2017	Under Construction to 1.12.17	Detailed Planning Consent to 1.12.17
ABZ (OP23)	Dyce Drive	5230	5,615	0	0	0	5,195
D2 (OP23)	Dyce Drive	0	6,472	0	0	0	0
Aberdeen International-Phase 1 (OP23)	Dyce Drive	0	27,250	0	0	0	0
The Core (OP2/3)	Berryhill/Murcar	0	0	2,039	842	0	1,747
Aberdeen Gateway (OP53)	Cove/Loirston	7129	2,275	0	0	0	0
Prime Four (OP29)	Kingswells	44,313	14,874	4,795	10,790	0	0
Balmoral Business Park	Wellington Road	4,350	0	0	0	0	0
Totals		61,022	56,486	6,834	11,632	0	6,942

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. 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 2017		0	
N/A	N/A	0	Under Construction
Total Under Construction to 1.12.17		0	
102 Hareness Road	Altens Industrial Estate	5,892	Consent
Total Planning Consent Yet to be Implemented to 1.12.17		5,892	

This year, a few planning consents have been deleted from Figure 4 as they have lapsed without implementation. These include; Total at Crawpeel Road, and Rubislaw Quarry.

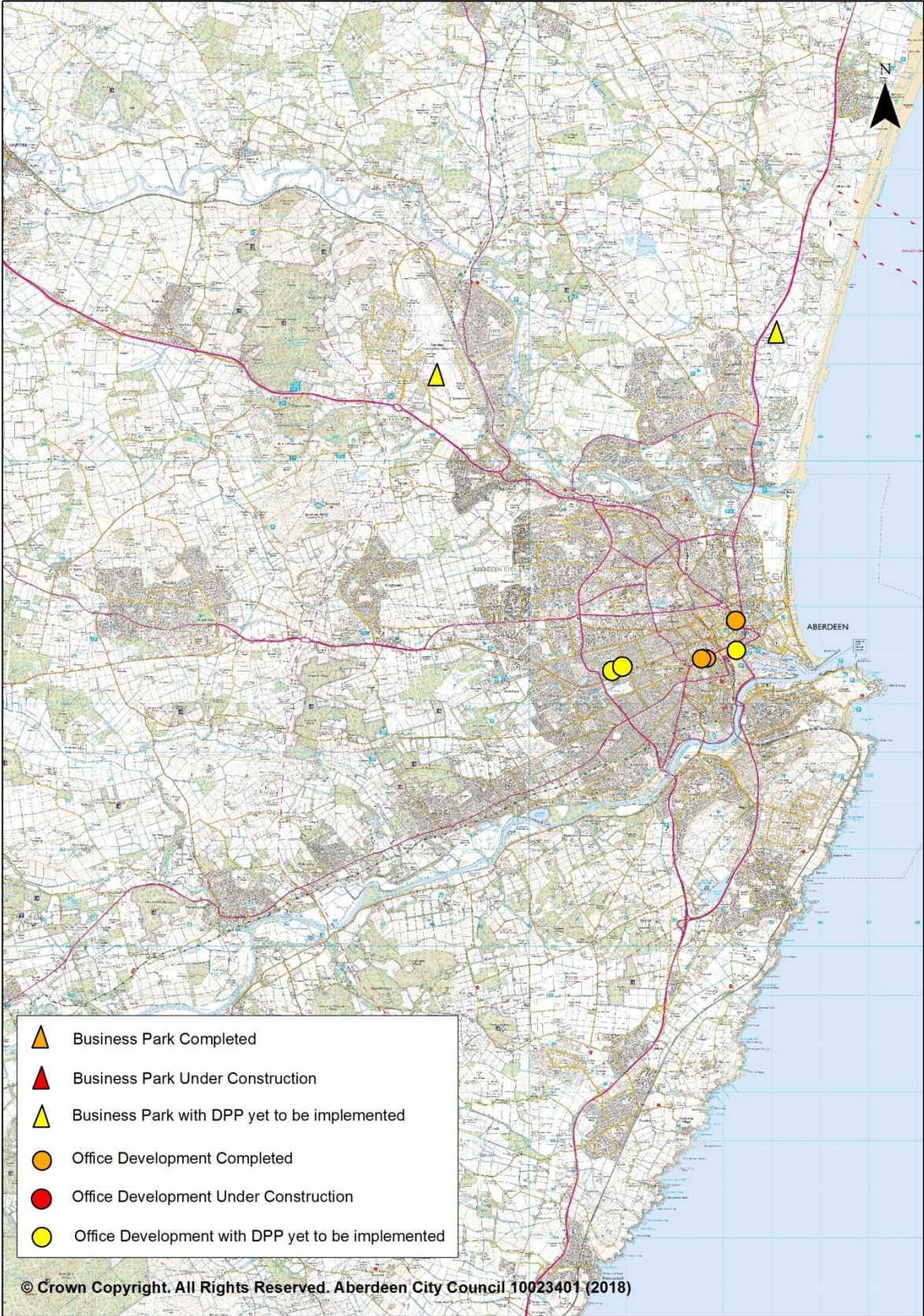
1.5 City Centre

Several office developments which were still in progress in last year's report are now complete (see Figure 5). The last 4 years have seen various new office developments progress in Aberdeen's City Centre.

Figure 5: City Centre (Class 4 m²)

Name	Location	Size	Status
The Capitol	Former Capitol Cinema, Union Street	9,180	Completed
The Silver Fin	Former Bells Hotel, 445-461 Union Street / 16 Justice Mill Lane	11,850	Completed
Marischal Square	Broad Street	16,264	Completed
Total Completed 2017		37,294	
N/A		0	
Total Under Construction to 1.12.17		0	
Aberdeen Douglas Hotel	City Centre	8500	Consent
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 to 1.12.17		9,800	

Figure 6: Location of Office Developments and Business Parks 2017



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 2017

Figure 7: Summary of hotel bedrooms 2017

	Completed	Under Construction to 2017	Detailed Planning Consent Granted to 2017
2017	280	200	1,609
2016	200	280	1,295
2015	399	325	1,330

Hotel completions in the City this year are the Residence Inn by Marriott within the City Centre's Marischal Square development, and Hampton by Hilton at D2 Business Park.

Consistent with 2016, there has been further decline in hotel construction this year. As an overall reflection on the local economy, the decrease in demand for hotel beds has continued this year with an overall reduction of around 30% in completions since 2015.

Planning applications proposing approximately 252 new hotel bedrooms gained consent in 2017. Examples include an extension to the existing 'Albyn' bar and restaurant in Aberdeen's West End at 11 Albyn Place, which gained consent for 41 bedrooms in March 2017. A proposal at the former Hamilton School (55-57 Queen's Road) was also approved for a Change of Use and extension to form 61 new hotel rooms.

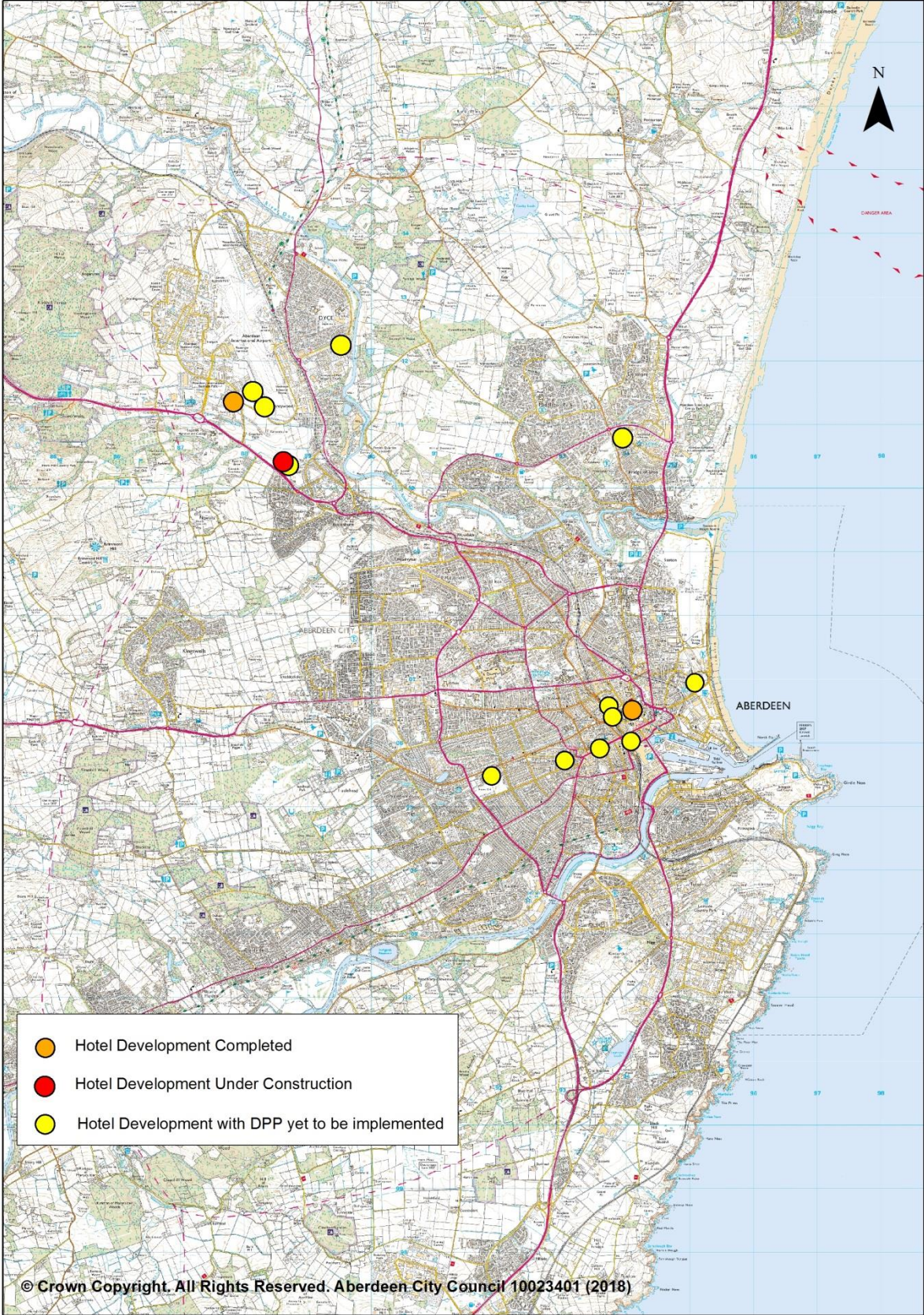
Several of the consents featured in last year’s Report including; Snoozebox, Copthorne Hotel and Station Hotel are yet to commence. Planning consent for a replacement Travelodge on Burnside Drive, Dyce, was also granted but has not yet commenced – see Figure 8 below.

Figure 8: Hotels (Bedrooms)

Name	Location	Type	Beds	Status
Marriott	Broad Street	New Build Hotel	125	Completed
Hampton by Hilton	D2 Business Park (Plot 9)	New Build Hotel	155	Completed
Total Hotel Bedrooms Complete			280	
Hilton	New AECC, Greenburn Road, Bucksburn	New Build Hotel	200	Approved March 2016
Total Hotel Bedrooms Under Construction to 1.12.17			200	
Aloft Hotel	New AECC, Greenburn Road, Bucksburn	New Build Hotel	150	Approved October 2017
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 July 2017
Station Hotel	78-80 Guild Street	Extension	92	Amendment Approved April 2017
Marriott International	Argyll Way	Extension	147	Approved March 2017
Travelodge	Burnside Drive, Dyce	Replacement Hotel	120	Approved June 2016
Malmaison (Former RGU Student Union)	54-70 Schoolhill	New Build Hotel	255	Approved October 2015
Premier Inn	Argyll Way	Extension	124	Approved July 2015

Ibis (1b Argyll Way)	ABZ Business Park	New Build Hotel	156	Approved June 2015
Double Tree Hotel	Beach Boulevard	Extension	25	Approved May 2015
Snoozebox	4 Greenhole Place	Temporary Accommodation	160	Approved March 2015
Former Bruce Millers	363 Union Street	Conversion	96	Approved January 2015
122 John Street	122 John Street	Conversion	182	Approved October 2013 – site start
Total Hotel Bedrooms Consents yet to be implemented to			1,609	
1.12.17				

Figure 9: Location of Hotel Developments 2017



3: Retail and Leisure Developments

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.

3.2.2 Planning Policy for Retail Developments

At a national level, Scottish Planning Policy 2014 (SPP) 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 Aberdeen Local Development Plan 2017 (LDP) 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.

Within the LDP, a new 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 now identified as an Opportunity Site for Class 1 (OP110). The site now features an IKEA concept store, which occupies one unit, alongside the Makro store and a PureGym leisure facility. Within the car park of this development, a 'drive-thru' Starbucks coffee shop is also operational.

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 for an initial period of 5 years up until 2016, following a successful ballot of businesses in 2011. In February 2016 these businesses voted successfully to allow the BID to be in operation for a further 5 years to 2021. 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.

3.2.4 Retail 2017

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.

Figure 10: Aberdeen’s BID Area (Source: Aberdeen Inspired)



Figure 11: Top Shopping Venues, UK

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

Source: Javelin Group (VENUESCORE, 2017)

Union Street

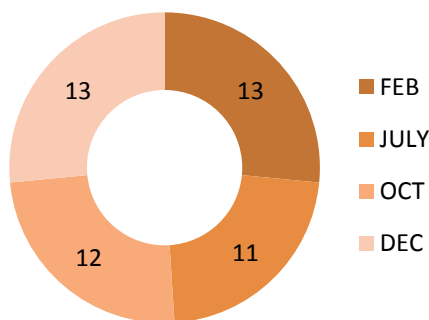
We regularly monitor changes, vacancies and new uses on Aberdeen's main retail thoroughfare, Union Street.

Union Street's vacancy rates are typically lower than many other high streets in Scotland. In 2017, Aberdeen City Council condensed the sample area of the Union Street Frontages survey (from 207 units to 116 units) to better reflect the retail 'core' of the City Centre.

Last year the vacancy rates were an average of 20 at any given month, along with a relatively high turnover. This year the vacancy rate remained consistent - between 11-13 units across the year - giving a vacancy rate of approximately 10%. This is largely in line with the 2016 survey results, given the reduction of the sample area.

Figure 11 shows the number of vacant units within the sample area, obtained through regular surveys throughout 2017. It highlights that the vacancy rates have remained consistent across the year. This figure has decreased from last year as a result of the reduced sample area.

Figure 12: Union St Frontages Vacancy Rates 2017



Some closures on Union Street this year include William Hill (122 Union Street) and Ponden Home Interiors (181 Union Street),

New occupiers for 2017 include 'Refill Station' (vape shop at the former Thorntons chocolatiers) and 'baked2TAKE' (hot & cold takeaway food, former Taking Shape clothing shop).

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. HomeSense was a new store opening for 2017, within the outer retail park area.

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 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.

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, the St Nicholas Centre features a Starbucks café, as well as a café inside Marks & Spencer, and kiosks in the central space of the mall. The Bon Accord Centre includes a number of food & drink outlets; including Pret a Manger, DiMaggio's, and Yo Sushi on the upper level, and some hot food and drink kiosks on its lower level. The John Lewis store also has a café.

This year, both PC World/Curry's and H&M closed in the St Nicholas Centre; now leaving just one H&M store in the City Centre, at Union Square. There is one other vacant unit in this centre. There is one vacant unit in the Upper level of the Bon Accord Centre; a former restaurant called Easy Ed's Diner.

St Nicholas Square

The Square to the south of the St Nicholas Centre – leading to Union Street – provides some retail and food & drink choice. These include Schuh, TSB, TUI, and a Five Guys restaurant.

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 is currently one vacant unit. This year, one of the major City Centre retailers, Argos, closed its unit in the Trinity Centre. Costa also opened an-instore cafe within the Debenhams unit.

3.2.5 New Retail and Leisure Developments in the City Centre

Union Square

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. This planning application is still under consideration.

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 has been granted for a restaurant at 24-30 Union Street. This is currently nearing completion (ref: 151254) and is expected to open in 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. Other uses are expected to open during 2018, including ground floor Class 1 (retail) and Class 3 (food & drink), and upper floor office space. Confirmed operators include Costa Coffee, Prezzo, and All Bar One.

The Academy Shopping Centre

The CLC Bookshop opened in The Academy during this year.

Aberdeen Market Shopping Centre

In December 2017, a planning application was submitted (ref: 171503) for a change of use from existing Class 1 (retail) to provide a mix of uses (Class 1, Class 2 (financial & other professional services), Class 3 (food & drink) and sui-generis (public house and hot food takeaways)). External alterations to the building façade and removal of the fourth and fifth floors are proposed. The application is pending.

3.2.6 Retail and Leisure Developments Outwith City Centre

Beach Esplanade

A new café restaurant opened in 2017, 'the Pier', on the site of the former Café Bistro.

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). There is a pending application which does not include the retail/leisure element (ref: 161675/MSC).

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/MSC, 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 during 2019.

4: Further Reading

Aberdeen City Council, in association with Aberdeenshire Council and Scottish Government, publishes several monitoring documents. These can be accessed via this [link](#).

Employment Land Audit 2017: 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 2017: 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 2016: 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. More information about Aberdeen Inspired can be found [here](#).

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