Northern West Sussex Economic Growth Assessment for Mid Sussex

Focused Update Report

Mid Sussex DC

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LICHFIELDS

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1.0 Introduction

1.1 Mid Sussex District Council ('the Council') commissioned Lichfields to prepare an update to the Northern West Sussex Economic Growth Assessment – Mid Sussex Addendum that was prepared in February 2026 (the 'Addendum'). This report ('Focused Update Report') has been prepared in response to the Inspector's Post-Hearing Letter dated 19 March 2026, issued following hearing sessions held as part of the Mid Sussex Local Plan Examination.

1.2 A key requirement from the Inspector's interim conclusions[1] is a reappraisal of the approach towards business and industrial land (Policy DPE3):

"The Council will carry out a reappraisal of the approach towards business and industrial land. This may contain additions to the supporting text on logistics, locational criteria, a recognition of the matching of need and supply, and the potential need to alter scenario 3 and business provision in response to a raised housing requirement."

1.3 The Inspector's letter highlights the need to identify the appropriate economic development needs and supply balance, and specifically to update the growth scenarios in response to a raised housing requirement from 1,090 dwellings per annum (dpa) to 1,300 dpa.

1.4 On this basis, this Focused Update Report' provides a focused update to the economic growth scenarios for the Plan period from 2021 to 2040, as follows.

- Scenario 1 (Labour Demand) is presented in this update for completeness, but remains unchanged from the February 2026 EGA Addendum.
- Scenario 2 (Past Development Rates) has been updated to incorporate the latest 2025/26 monitoring data.
- Scenario 3 has been revised to align with the Inspector's confirmed housing target, testing a maximum housing position of up to 1,300 new homes per annum to account for the unmet housing needs of neighbouring authorities.

1.5 By comparing the quantitative requirements arising from these scenarios against the current identified employment land supply, the report assessed the demand-supply balance for employment land in Mid Sussex.

[1] Inspector's Post Hearing Letter [IDJB-12], 24.03.26, https://www.midsussex.gov.uk/media/pnmhzwv1/idjb-12-inspectors-post-hearing-letter.pdf

2.0 Growth Scenarios and Employment Land Requirements

2.1 This section considers future employment space requirements in Mid Sussex District for the Plan period to 2040, drawing on the most up to date assumptions and data regarding future economic growth prospects for the District.

2.2 In accordance with Planning Practice Guidance and for consistency with the original 2022 EGA and the February 2026 EGA Addendum, a number of potential future economic growth scenarios have been developed to provide a framework for considering future economic growth needs and employment space requirements over the Plan period of 2021 to 2040. These scenarios draw on:

- **Scenario 1: Labour Demand:** This scenario has been presented in this focused update for completeness but remains unchanged from the February 2026 EGA Addendum. It draws on the Experian October 2025 forecast.
- **Scenario 2: Past Development Rates:** This has been updated to reflect the latest past trends, utilising monitoring data on completions of employment space for a 15-year period between 2011/12 and 2025/26.
- **Scenario 3: Labour Supply:** This scenario has been revised to align with the Inspector's confirmed housing target. While the previous assessment was based on 1,090 dwellings per annum (dpa), this update assesses a requirement at the upper end of the Inspector's recommended range – of up to 1,300 new homes per annum.

2.3 All these approaches reflect different factors, and careful consideration needs to be given as to how appropriate each is, considering the circumstances in the District. These approaches provide an updated quantitative analysis of the economic needs across the District and should be considered cumulatively with other qualitative factors, such as property market signals, to inform the plan-making process.

2.4 It should be noted that the study focuses on the locally-arising economic development needs for Mid Sussex without specific consideration of any strategic industrial and logistics needs that might be generated from the wider area over and above the extent to which these are reflected as part of existing development trends in the district.

Scenario 1: Labour Demand

2.5 Employment growth forecasts for Mid Sussex District for the period from 2021 to 2040 (i.e. a 19-year forecast) were obtained from Experian (October 2025 release). These take account of the latest macro-economic factors available, including, for example, the cost-of-living crisis and impacts on inflation.

2.6 These local-level employment forecasts are consistent with Experian's October 2025 UK macro forecast, with further detail on key assumptions summarised below.

Experian Scenario Assumptions: October 2025

According to the Experian Data Guide (October 2025), the UK economy in September 2025 is experiencing modest growth amid persistent inflationary pressures and a softening labour market.

Economic output increased by 0.3% in Q2 2025, representing a slowdown from the 0.7% recorded in Q1. Growth was driven mainly by the services sector and construction, while production output declined. For the year as a whole, GDP growth is now forecast at 1.4% in 2025, easing slightly to 1.3% in 2026 before strengthening to 1.5% in 2027.

Inflationary pressures remain a key challenge. CPI inflation rose to 3.8% in June 2025, reflecting higher air fares and food prices, and is expected to peak above 4% in autumn 2025. This outlook is influenced by the October increase in the OFGEM energy price cap and the pass-through of higher business costs linked to National Insurance changes. Against this backdrop, the Bank of England is expected to delay further interest rate cuts until February 2026, as it seeks to balance above-target inflation with a fragile economic recovery.

The labour market continues to cool, with unemployment edging up to 4.7% in Q2 2025 and projected to reach 4.9% in 2026. Job vacancies have declined for the 37th consecutive period to 718,000, now well below pre-pandemic levels. While nominal earnings growth remains relatively strong, real wage growth is subdued, reflecting ongoing cost-of-living pressures. Business confidence showed some improvement over the summer, although consumer sentiment remains weak amid uncertainty surrounding the Autumn Budget.

Further detail is contained in Appendix 1.

2.7 Table 2.1 summarises employment changes implied by these latest Experian forecasts by office-, industrial- and distribution- based sectors as well as total employment change in Mid Sussex over the plan period. A total of 10,700 workforce jobs are forecast to be generated in the District across the Plan period of which 1,414 (or 13% of the total workforce jobs) are expected to relate to office, industrial and distribution sectors. It is expected that jobs in light industrial and office-related sectors will drive employment growth, while jobs in 'traditional' manufacturing/industrial sectors are anticipated to decline.

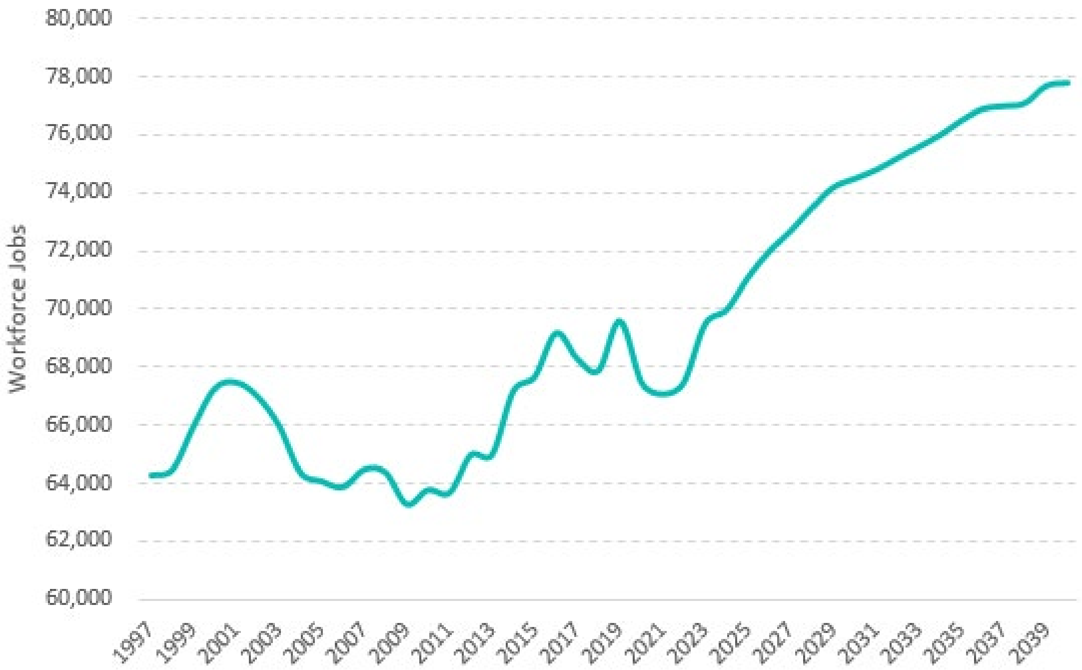
Table 2.1 Forecast Employment Change in Mid Sussex District, 2021 to 2040

Type of Space/Use Class	Number of Workforce Jobs		Change (2021-2040)
	2021	2040	
Office E(g)(i)/(ii)	14,564	15,253	+689
Light Industrial E(g)(iii)	3,533	4,100	+567
General Industrial B2	3,286	3,127	-160
Storage and Distribution B8	5,305	5,624	+318
Total Office, Industrial and Distribution Jobs	**26,689**	**28,103**	**+1,414**
Total Workforce Jobs	**67,100**	**77,800**	**+10,700**

Source: Experian (October 2025) / Lichfields analysis

2.8 Figure 2.1 presents the trajectory of total job growth implied by the latest Experian forecasts for Mid Sussex. Under this scenario, workforce jobs are projected to grow steadily across the plan period from 2021 to 2040, resulting in an overall increase of 16%. In contrast, growth in office, industrial and distribution employment is more modest, with these sectors collectively expected to increase by around 5% over the same period. It should be noted that, according to Experian, total employment levels in the District rebounded from Covid-19 by 2023 (i.e., the period between 2019 and 2023).

Figure 2.1 Historic and Forecast Employment Growth in Mid Sussex, 1997 to 2040



Source: Experian (October 2025) / Lichfields analysis – Extract from 2026 Addendum

2.9 Table 2.2 overleaf identifies the fastest growing and declining sectors in the District in employment terms over the Plan period. Those sectors forecast to see the highest job growth include accommodation & food services, recreation, education and health. However, there are also some office, industrial and distribution-related sectors, such as construction and professional services, that are expected to grow significantly across the Plan period.

2.10 Those sectors forecast to see the largest employment losses in the District over the period to 2040 include retail, manufacturing of computer & electronic products, and office related sectors such as computing & information services and administrative & supportive services.

Table 2.2 Fastest Growing and Declining Employment Sectors in Mid Sussex, 2021 to 2040

Sector	Forecast Change in Workforce Jobs 2021 to 2040	
	No.	%
Fastest Growing Employment Sectors		
Accommodation & Food Services	+3,000	+63%
Recreation	+1,600	+70%
Education	+1,600	+22%
Health	+1,300	+23%
Residential Care & Social Work	+1,000	+32%
Professional Services	+900	+15%
Specialised Construction Activities	+700	+22%
Fastest Declining Employment Sectors		
Retail	-500	-8%
Manufacture of Computer & Electronic Products	-200	-33%
Computing & Information Services	-200	-12%
Administrative & Supportive Services	-200	-4%

Source: Experian (October 2025)/ Lichfields analysis – Extract from 2026 Addendum

Converting Jobs to Employment Floorspace Requirements

2.11 The office, industrial and warehousing components of these employment growth forecasts are converted to future employment space and land requirements by applying the latest density ratios based on the 2015 HCA guidance and recent development activity. This takes account of trends in terms of changing utilisation of employment space, including more efficient use of office floorspace due to a higher frequency of flexible working and hot-desking. Densities all relate to Gross External Area (GEA).

2.12 On this basis, the following job density and plot ratios have been applied:

- **Offices (E(g)(i)/(ii)):** 1 workforce job per 12.5 sq.m, and a plot ratio of 2.0 for 50% of future requirements reflecting high density town centre developments and 0.4 for the remaining 50% reflecting developments in lower density business parks;
- **Light industrial (E(g)(iii)):** 1 workforce job per 47 sq.m and an average plot ratio of 0.4;
- **General industrial (B2):** 1 workforce job per 36 sq.m and an average plot ratio of 0.4;
- **Warehousing (B8):** 1 workforce job per 65 sq.m for smaller scale warehousing (i.e. up to 6,500 sq.m, which according to VOA data accounts for 85% of the existing warehousing stock in the District) and 1 workforce job per 87.5 sq.m for large scale (over 9,000 sq.m), lower density units which account for 15% of the existing warehousing stock[2]. The plot ratio applied to estimate storage and distribution land requirements is 0.4.

[2] According to latest VOA property records, there are no warehouse properties in the District of 'medium scale' (i.e. 6,500 sq.m to 9,000 sq.m)

2.13 An allowance of 8% is added to all positive floorspace requirements to provide for a level of market vacancy in employment space to allow for flexibility and choice. Where a reduction in jobs is forecast (i.e., for B2 industrial, in this case, a decrease of 160 jobs is forecast), the associated negative floorspace is halved. This reflects that while there may be ongoing manufacturing job losses (e.g. as firms use more efficient production approaches), it does not automatically imply that all of the existing employment floorspace will be lost.

2.14 Considering the above, Table 2.3 presents the net employment space requirements for the Local Plan period derived from the employment growth (labour demand) scenario.

Table 2.3 Net Employment Floorspace Requirements (2021 to 2040): Labour Demand Scenario

Type of Space/Use Class	Net Employment Floorspace Requirements 2021-2040 (GEA sq.m)	Net Employment Land Requirements 2021-2040 (ha)
Office E(g)(i)/(ii)	9,300	1.4
Light Industrial E(g)(iii)	28,800	7.2
General Industrial B2	-2,900	-0.7
Storage and Distribution B8	23,500	5.9
Total	**58,700**	**13.8**

Source: Experian (October 2025) / Lichfields analysis (rounded figures)

Scenario 2: Past Development Rates

2.15 Monitoring data on past completions of employment space between 2011/12 and 2025/26 has been provided by West Sussex County Council. This shows that during the last 15 years, average annual net completions for employment uses in Mid Sussex District amounted to c.6,600 sq.m, of which 71% related to light industrial, industrial and warehousing development[3].

2.16 One view of future growth in Mid Sussex could be to assume these past development trends continue in the future. This annual rate is applied to the period 2026–2040 to estimate projected employment floorspace, while net completions recorded between 2021/22 and 2025/26 (i.e. within the Plan period), as reported in the monitoring data, are incorporated directly.

2.17 A significant quantum of light industrial, general industrial, and distribution floorspace totalling c 39,700 sq.m (net) was delivered during this five-year period (i.e. 2021/22 to 2025/26). This is largely attributable to two major distribution (B8) developments completed in 2023, totalling c 18,200 sq.m. These completions include:

- Maryland Nursery site on Cowfold Road, Bolney (ref: DM/20/2640), which delivered 10,600 sq.m of B8 storage and distribution floorspace across three buildings.
- Demolition of the Cedars site and the construction of four buildings on Brighton Road, Pease Pottage (ref: DM/20/2332), providing a further 7,600 sq.m of storage and distribution space.

2.18 When these net completions from the first five years of the plan period are added to the projected floorspace requirements for 2026–2040, they provide the total net employment

[3] A more detailed split is not available within the monitoring data.

floorspace requirement under this scenario for the Local Plan period 2021–2040, as presented in Table 2.4. It should be noted that these are slightly lower than the 2026 Addendum, given that the annual net floorspace completed has been marginally reduced (from 6,850 sq.m to 6,600 sq.m).

Table 2.4 Net Employment Floorspace Requirements (2021 to 2040): Past Development Rates Scenario

Type of Space/Use Class	Net Completions Delivered (2021/22 to 2025/26)	Assumed Annual Net Floorspace Change (sq.m) (2011/12 to 2025/26)	Net Employment Floorspace Requirements 2026-2040 (sq.m)	Net Employment Floorspace Requirements 2021-2040 (sq.m)*	Net Employment Land Requirements** 2021-2040 (ha)
Office E(g)(i)/(ii)	1,800	1,100	15,400	17,200	2.6
Mixed B1 /E(g)	2,615	780	14,820	17,435	4.4***
Light Industrial E(g)(iii)/General Industrial B2/Distribution B8	39,730	4,715	66,020	105,750	26.4
Total	**44,140**	**6,600**	**96,240**	**140,385**	**33.4**

*The net completions delivered between 2021/22 to 2025/26 are added to the net employment forecast for 2026-2040
**The estimate of land requirements is based on plot ratio assumptions presented in paragraph 2.12
**The ‘Mixed B1’ category, which is aligned with data availability as published by West Sussex County Council, assumes plot ratio for ‘Mixed B1’ of 0.4.

Source: West Sussex County Council (2026) / Lichfields analysis (rounded figures)

2.19 Similar to the 2026 Addendum and 2022 EGA, it is important to note that there are a number of limitations associated with the past development rates approach. In particular, the monitoring data is only available as a combined figure for light industrial, general industrial and storage and distribution uses. Moreover (as described in 2022 EGA, paragraph 4.15), there are further limitations associated with gaps in data across some of the monitoring years. Given these limitations, this scenario is presented for completeness in line with the PPG and considered as a scenario for sensitivity testing purposes.

Scenario 3: Labour Supply

2.20 A labour supply scenario has been considered based on population projections and other demographic assumptions that have been used to inform the 2024 Strategic Housing Market Assessment (‘2024 SHMA’) for Mid Sussex; however, these have been pro-rated to reflect the Inspector's requirement to test a higher housing growth scenario of up to 1,300 dwellings per annum. On this basis, the associated labour supply is estimated to support between approximately 21,500 and 25,400 jobs over the plan period. This level of job growth is double that implied by the Experian forecasts (+10,700 jobs) for the same period (i.e. labour demand).

2.21 It should be noted that this scenario assumes that this level of housing growth is met in full over the Plan period; any deviation from this assumption may have a knock-on impact in terms of labour supply growth and associated employment space requirements under this scenario.

2.22 Once the anticipated job growth is distributed proportionately to various sectors (in line with the projected patterns of sector-based growth from the Experian forecast, see Scenario 1 above), this suggests that between 2,840 to 3,360 jobs (13%) could relate to office-, industrial- and distribution-based sectors, as follows:

- Office-based sectors (1,380-1,635 jobs);
- Light industrial-based sectors (1,140-1,350 jobs);
- General industrial-based sectors (-320 to -380 jobs); and
- Distribution-based sectors (640-760 jobs).

2.23 These are further translated to net employment floorspace requirements by applying the same assumptions as presented in paragraph 2.12.

Table 2.5 Net Employment Floorspace Requirements (2021 to 2040): Labour Supply Scenario

Type of Space/Use Class	Net Employment Floorspace Requirements 2021-2040 (sq.m)	Net Employment Land Requirements 2021-2040 (ha)
Office E(g)(i)/(ii)	18,660 to 22,080	2.8 to 3.3
Light Industrial E(g)(iii)	57,730 to 68,300	14.4 to 17.1
General Industrial B2	-6,230 to -7,370	-1.6 to -1.8
Storage and Distribution B8	47,160 to 55,800	11.8 to 13.9
Total	**117,325 to 138,800**	**27.4 to 32.5**

Source: Iceni (2024) / Lichfields analysis (rounded figures)

Planning Requirements

2.24 It may be appropriate for the Council to make an allowance for the replacement of future losses of employment space that may be developed for other (non-office/industrial/storage) uses over the plan period. Where such an allowance is factored into future employment space needs, it seeks to ensure that sufficient space is re-provided to account for employment space that could be lost moving forward. It is intended, therefore, to provide some protection against the erosion of employment space over the plan period.

2.25 There are typically four approaches to calculate the level of this allowance, including:

1 Forecast the quantity of floorspace that will be lost in future and assume that a proportion of this space may need to be replaced. The issue here is that there is no robust or scientific way of forecasting how much space will be lost, and the future may be very different from the past. If this method is used, the authority needs to look carefully at past losses and use local knowledge to make a judgement on how the future might compare with the past.

2 Make an overall adjustment to the growth scenarios considered to give an allowance for some replacement. This is a simple approach and may be based on a fairly broad assumption.

3 Monitor the loss of employment space through regular reviews in the Local Plan. This would avoid the need to make assumptions about the future loss of employment space and base it on robust data. If these periodic reviews indicate losses of high-quality,

occupied floorspace and sustained low vacancy rates, the Council could take steps to replace this space by increasing the floorspace requirement accordingly. However, any Local Plan review reflecting the monitoring findings would take some time to come forward.

4 As part of the employment evidence, the Council reviews through a qualitative assessment the existing employment sites and areas, to identify those which could be lost to non-employment uses, either because they are no longer suitable or viable for employment, or because they are judged as being needed for an alternative use, such as housing. Based on this assessment, the employment land calculation can develop different scenarios to illustrate possible futures and plan for new sites accordingly.

2.26 The resulting 'gross' floorspace and land requirements (or 'planning requirements') for Mid Sussex District are set out in Table 2.6 and Table 2.7. These include a 10% 'buffer' allowance for such factors as delays in development sites coming forward, and replacement of some ongoing losses of employment space during the Local Plan period. This approach follows point 2 in paragraph 2.25 and is considered appropriate based on the recent monitoring data. This is also in line with the approach adopted in the 2022 EGA focused update and February 2026 Addendum.

Table 2.6 Gross Employment Floorspace Requirements (2021 to 2040) (sq.m)

Type of Space/Use Class	1.Labour Demand	2.Past Development Rates	3. Labour Supply
Office E(g)(i)/(ii)	10,230	18,920	20,530 to 24,280
Light Industrial E(g)(iii)	31,650		63,500 to 75,130
General Industrial B2	-2,880	116,325	-3,090 to -4,230
Storage and Distribution B8	25,860		51,880 to 61,375
Mixed B1	-	19,180	-
Total	**64,860**	**154,420**	**132,820 to 156,560**

Source: Lichfields analysis (rounded figures)

Table 2.7 Gross Employment Land Requirements (2021 to 2040) (ha)

Type of Space/Use Class	1.Labour Demand	2.Past Development Rates	3. Labour Supply
Office E(g)(i)/(ii)	1.5	2.8	3.1 to 3.6
Light Industrial E(g)(iii)	7.9		15.9 to 18.8
General Industrial B2	-0.7	29.1	-0.8 to -1.1
Storage and Distribution B8	6.5		12.9 to 15.3
Mixed B1	-	4.8	-
Total	**15.2**	**36.7**	**31.2 to 36.6**

Source: Lichfields analysis (rounded figures)

3.0 Implications for Demand and Supply Balance

3.1 This section compares the updated future employment land requirements considered in section 2.0 with the latest position in terms of identified employment land supply in Mid Sussex, to determine the level of need for employment land over the Plan period to 2040.

Employment Supply

3.2 The supply of employment space in the development pipeline comes from sites that have been proposed for allocation for office, light/general industrial and storage and distribution uses together with extant planning permissions and schemes under construction.

3.3 In terms of the proposed allocations for employment uses, Table 3.1 summarises the latest position in Mid Sussex (at June 2026). There are 36.42 ha in total employment allocations set out in the District Plan 2014 and the adopted version of the Allocations DPD (2022) of which 9.1 ha have been subject to planning permissions, and 22.36 ha has now been delivered, as presented below. Therefore, there is a remaining 5.96 ha of employment allocations that have not yet received planning permission.

Table 3.1 Status of Employment Allocations in Mid Sussex, 2026

Allocated Site	Source	Ha	Status
DP1: The Hub	District Plan 2014-31 Policy DP1 and the adopted version of the Allocations DPD (2022), paras 2.7-2.8/ Mid Sussex Council	14.96	Complete
DP1: Northern Arc		4.00	Not yet permitted
SA2: Burnside Centre	Allocations DPD (2022), Table 2.1, pg.19 / Mid Sussex Council	0.96	Not yet permitted
SA3: KDG		1.10	Planning Permission - DM/19/0188, not commenced
SA4: North A264		2.70	Complete
SA5: Bolney Grange		7.00	Outline application (DM/23/3208) for erection of 10 x Class E(g), B2 and B8 flexible use commercial units approved 09/06/25.
SA6: Marylands		2.40	Complete
SA7: Cedars		2.30	Complete
SA8: Pease Pottage Nursery		1.00	Not yet permitted
Sub-Total (Remaining Allocations)		**5.96**	**Allocations with no permission attached**
Total Allocated Land (ha)		**30.46**	Including allocated sites that have gained planning permission and have been completed

Source: Mid Sussex District Council (2026)

3.4 Based on an average plot ratio of 0.4, the remaining 5.96 ha could accommodate around 23,840 sq.m of office and industrial space. The employment policies associated with these allocations imply a split of c.11,250 sq.m of office space, 11,250 sq.m of industrial and 1,330 sq.m of storage and distribution.

3.5 Combined with extant permissions and schemes under construction, there is a total of 207,476 sq.m (or 51.9 ha) of employment space within the employment supply as presented in Table 3.2 and Table 3.3. Most of the supply (i.e. 63%) comprises extant permissions, followed by 26% from supply currently under construction and 11% from the allocations without planning permission.

Table 3.2 Employment Space Supply by Type of Space in Mid Sussex (2026) – sq.m

Type of Space	Extant Permissions	Under Construction	Allocations without planning permission	Total
Office E(g)(i)/(ii)	1,225	8,503	11,253	20,981
Light/General Industrial E(g)(iii)/B2	30,685	32,769	11,253	74,707
Storage and Distribution B8	72,027	7,958	1,333	81,318
Mixed B1	24,970	5,499	n/a	30,469
Total	**128,907**	**54,729**	**23,840**	**207,476**

Source: West Sussex County (2026), Mid Sussex District Council (2026) / Lichfields analysis (rounded figures)

Table 3.3 Employment Land Supply by Type of Space in Mid Sussex (2026) – ha

Type of Space	Extant Permissions*	Under Construction*	Allocations without planning permission*	Total
Office E(g)(i)/(ii)	0.3	2.1	2.8	5.2
Light/General Industrial E(g)(iii)/B2	7.7	8.2	2.8	18.7
Storage and Distribution B8	18.0	2.0	0.3	20.3
Mixed B1	6.2	1.4	0.0	7.6
Total	**32.2**	**13.7**	**6.0**	**51.9**

Source: West Sussex County (2026), Mid Sussex District Council (2026) / Lichfields analysis (rounded figures)

*Based on a plot ratio of 0.4

Demand and Supply Balance

3.6 Once the forecasts of future employment need considered in section 2.0 are compared with the identified employment supply, there is a surplus varying between 50,916 sq.m and 142,616 sq.m or 15.2 ha and 36.7 ha, as summarised in Table 3.4 and Table 3.5.

Table 3.4 Demand/Supply Balance of Employment Space to 2040 (sq.m)

	Labour Demand	Past Development Rates	Labour Supply
Employment Space Required (sq.m)	64,860	154,420	132,820 to 156,560
Available Employment Space (sq.m)	207,476		
Surplus/Shortfall	**+142,616**	**+53,056**	**+50,916 to +74,656**

Source: Lichfields analysis (rounded figures)

Table 3.5 Demand/Supply Balance of Employment Land to 2040 (ha)

	Labour Demand	Past Development Rates	Labour Supply
Employment Land Required (ha)	15.2	36.7	31.2 to 36.7
Available Employment Land (ha)	51.9		
Surplus/Shortfall	**+36.7**	**+15.2**	**+15.2 to +20.7**

Source: Lichfields analysis (rounded figures)

3.7 This overall position masks a more nuanced position between the different use classes as presented in Table 3.6 and Table 3.7 below.

Table 3.6 Demand/Supply Balance of Employment Space to 2040 by Type of Space (sq.m)

	Labour Demand	Past Development Rates	Labour Supply
Office E(g)(i)/(ii)			
Employment Space Required (sq.m)	10,230	18,920	20,530 to 24,280
Available Employment Space (sq.m)	20,981		
Surplus/Shortfall	**+10,751**	**+2,061**	**-3,299 to +451**
Light and General Industrial E(g)(iii)/B2			
Employment Space Required (sq.m)	28,770	n/a	60,410 to 70,900
Available Employment Space (sq.m)	74,707		
Surplus/Shortfall	**+45,937**	**n/a**	**+3,807 to +14,297**
Storage and Distribution B8			
Employment Space Required (sq.m)	25,860	n/a	51,880 to 61,375
Available Employment Space (sq.m)	81,318		
Surplus/Shortfall	**+55,458**	**n/a**	**+19,943 to +29,438**
Mixed B1/Eg			
Employment Space Required (sq.m)	n/a	19,180	n/a
Available Employment Space (sq.m)	30,469		
Surplus/Shortfall	**n/a**	**+11,289**	**n/a**
Combined Light/General Industrial and Storage and Distribution E(g)(iii)/B2/B8			

Employment Space Required (sq.m)	54,630	116,325	112,290 to 132,275
Available Employment Space (sq.m)	156,025		
Surplus/Shortfall	+101,395	+39,700	+23,750 to +43,735

Source: Lichfields analysis (rounded figures)

Table 3.7 Demand/Supply Balance of Employment Land to 2040 by Type of Space (ha)

	Labour Demand	Past Development Rates	Labour Supply
Office E(g)(i)/(ii)			
Employment Land Required (ha)	1.5	2.8	3.1 to 3.6
Available Employment Land (ha)	5.2		
Surplus/Shortfall	**+3.7**	**+2.4**	**+1.6 to +2.4**
Light and General Industrial E(g)(iii)/B2			
Employment Land Required (ha)	7.2	n/a	15.1 to 17.7
Available Employment Land (ha)	18.7		
Surplus/Shortfall	**+11.5**	**n/a**	**+1.0 to +3.6**
Storage and Distribution B8			
Employment Land Required (ha)	6.5	n/a	12.9 to 15.3
Available Employment Land (ha)	20.3		
Surplus/Shortfall	**+13.8**	**n/a**	**+5.0 to +7.4**
Mixed B1			
Employment Land Required (ha)	n/a	4.8	n/a
Available Employment Land (ha)	7.6		
Surplus/Shortfall	**n/a**	**+2.8**	**n/a**
Combined Light/General Industrial and Storage and Distribution E(g)(iii)/B2/B8			
Employment Land Required (ha)	13.7	29.1	28 to 33
Available Employment Land (ha)	39.0		
Surplus/Shortfall	**+25.3**	**+9.0**	**+6.0 to +11.0**

Source: Lichfields analysis (rounded figures)

3.8 As presented above, there is sufficient capacity identified to accommodate future light and general industrial and storage and distribution needs against all scenarios.

3.9 In relation to office space, there is sufficient identified capacity to meet forecast needs under all scenarios, with the exception of the upper end of the labour supply scenario, which indicates a shortfall of c 3,300 sq.m. However, a surplus of mixed B1/Eg floorspace has been identified, which could help accommodate some of this office shortfall under the higher labour supply scenario, subject to the location and the specific nature of mixed-use developments.

3.10 In summary, the updated analysis presented above points to a surplus of between 50,920 sq.m and 142,620 sq.m or 15.2 ha and 36.7 ha.

4.0 Conclusions

4.1 This Focused Update Report presents an updated assessment of Mid Sussex District's economic growth scenarios and employment land requirements following the request made within the Inspector's Post-Hearing Letter. It provides an updated quantitative analysis to inform Policy DPE3 (Business and Industrial Land), specifically addressing the need and supply balance under a revised housing requirement of up to 1,300 new homes per annum.

Future Scenarios

Scenario 1: Labour Demand

4.2 The labour demand growth scenario draws on Experian's October 2025 economic forecasts and remains unchanged from the February 2026 EGA Addendum. It projects a steady increase of 10,700 workforce jobs across the District over the Plan period, representing a 16% overall increase. Of this growth, approximately 13% (i.e., 1,414 jobs) is expected to relate specifically to office, industrial, and distribution sectors.

4.3 This scenario generates a gross planning requirement of 64,860 sq.m of floorspace (15.2 ha of land) over the period 2021-2040. The majority of this need is driven by light industrial and office-related sectors, while traditional manufacturing jobs are anticipated to decline. This position is considered a conservative baseline, particularly compared to the latest delivery (of floorspace for employment uses) trends.

Scenario 2: Past Development Rates

4.4 This scenario has been updated to reflect the latest past trends, utilising 15 years of monitoring data (2011/12 to 2025/26). Average annual net completions amounted to approximately 6,600 sq.m, with 71% of this activity relating to light industrial, industrial, and warehousing development. Projecting these trends to 2040 results in a total gross requirement of 154,420 sq.m (36.7 ha). Notably, the first five years of the current plan period (2021/22 to 2025/26) saw significant delivery of 44,140 sq.m of commercial space.

4.5 While this scenario identifies a high level of development activity, it is treated as a sensitivity test rather than a primary growth target. This is due to inherent limitations in the monitoring data, such as gaps in some historical years and the lack of a detailed use-class split for older industrial completions.

Scenario 3: Labour Supply

4.6 Scenario 3 has been revised to align with a maximum housing position of up to 1,300 dwellings per annum (dpa) as set out by the Inspector. This higher housing target is estimated to support a labour supply of between 21,500 and 25,400 jobs over the Plan period. This level of job growth is more than double the requirement implied by the baseline labour demand forecast (under Scenario 1).

4.7 On this basis, the updated labour supply scenario generates a gross floorspace requirement of between 132,820 sq.m and 156,560 sq.m, equivalent to a land requirement of 31.2 ha to 36.7 ha.

Implications for Demand and Supply Balance

4.8 The updated analysis establishes an overall economic development need ranging from 64,860 sq.m to 156,560 sq.m (15.2 ha to 36.7 ha) for the period 2021–2040. When compared against the District's identified employment supply of 207,500 sq.m (51.9 ha), which includes extant permissions, supply under construction and allocated sites without planning permission, the District maintains a quantitative surplus across all scenarios. This surplus varies between 50,920 sq.m and 142,620 sq.m (or 15.2 ha to 36.7 ha).

4.9 In relation to specific use classes, there is sufficient floorspace identified to accommodate future needs for light and general industrial, as well as storage and distribution uses, against all scenarios. In relation to office floorspace, there is sufficient identified capacity to meet forecast needs in most cases, with the exception of the upper end of the labour supply scenario, which results in a shortfall of c 3,300 sq.m. However, this deficit could potentially be addressed through the identified surplus of c 11,290 sq.m of mixed B1/Eg space, which provides the necessary capacity and flexibility to accommodate office requirements.

Summary

4.10 In conclusion, the updated evidence demonstrates that Mid Sussex has sufficient identified capacity to accommodate its future business and industrial needs to 2040, included when tested against the higher housing growth scenario of 1,300 dpa.