

## CHAPTER 7: COMMERCIAL DEVELOPMENT

### 7.1. Introduction

This chapter looks at current and recent economic and employment patterns within the study area and its environs. The Airport is by far the largest employer in the study area. It will remain so, and any policies for employment-generating development must be built around that reality. The chapter looks at the employment structure, land demand and availability and policy choices within the study area, considers the special case of retail development, and concludes with a preferred development scenario.

### 7.2 Employment

A key study objective is to identify the need for, and suitability of locations for, further employment uses in South Fingal. Commercial and industrial development is a very dynamic sector, particularly in the present economic climate, and therefore we are only able to produce a 'snapshot' of the current situation and then judge future demand based on current and recent trends.

This section therefore:

- Reviews the existing employment position;
- Examines regional and county employment land use policies, with special reference to the study area and its hinterland;
- Estimates the capacity of undeveloped, suitably zoned land, in the airport and hinterland;
- Overviews market preferences for office, warehousing and industrial land;
- Posits alternative policy approaches to the task of balancing demand and supply of such lands in the airport and its hinterland;
- Makes recommendations on the approach to be pursued by the Planning Authority.

#### 7.2.1. Airport employment

In 2001, there were estimated to be approximately 13,000 jobs on-site at Dublin airport, in over 100 companies. The number of jobs is forecast to rise in line with airport throughput at the rate of 1,000 jobs per million passengers. On this basis, total employment is expected to exceed 30,000 persons by 2020.

**Table 7.1 Airport Employment Profile 2001 (%)**

Type of employment	Airline	Airport operator	Aircraft maintenance	Catering	Freight handling
Managerial	6	12	9	8	3
Clerical, administrative, intermediate non-manual	53	33	20	11	20
Skilled manual	4	5	23	4	7
Other manual	25	29	9	77	70
Technical	12	19	37	0	0
Other	1	2	2	0	0
Total	100	100	100	100	100

Source: Aer Rianta

Table 7.1 shows the composition of the workforce of the principal components of airport activities, based on a sample of airport employers. This underlines the opportunities which the airport offers in the provision of low-skilled and unskilled manual labour.

Table 7.2 translates these percentages into actual jobs. The forecast growth in airport operations over the next 20 years may yield up to 20,000 such jobs, many of these will be suited to the local population in an area where skill levels and educational attainment are below average <sup>1</sup>.

These findings are underlined by the findings of a recent study <sup>2</sup> which, regarding opportunities for manual employment, has indicated that there will be continuing opportunities: baggage handling and apron and ramp staff; security staff; freight handling (typically two-thirds of total employment being warehouse operatives and technical change); air freight, especially drivers, goods handlers, fork-lift truck operators etc. Restaurants and retailing will also show high levels of demand, and students are an important element of this workforce. Most of the employment in in-flight catering is manual staff without special skills, so out-sourcing meals is unlikely to be a growth sector in the immediate vicinity of the airport, but will be more widely spread over the hinterland.

**Table 7.2 Increase in Airport Employment 2001-2020**

Employment category	2001	2020	Increase
Managerial	1,000	2,500	1,500
Clerical, administrative and intermediate non-manual	3,500	9,000	5,500
Skilled manual	1,000	3,000	2,000
Other manual	5,500	14,000	8,500
Technical and other	2,000	4,500	2,500
<b>Total</b>	<b>13,000</b>	<b>33,000</b>	<b>20,000</b>

Source: Aer Rianta

The Airport Regions Conference document *Future Trends in Airport-Related Employment*<sup>3</sup>, concluded that the rapid growth in air travel will underpin an increasing demand for many of the occupations now found at airports. Appendix 3 section 2 sets out the occupations that are expected to be in demand in the future.

## 7.2.2 Airport environs

There are relatively few employment uses within the study area that are not related to the airport. Perhaps the most notable concentration is along Swords Road. This is mainly in industrial use and includes warehousing, car lots and garages, industrial units, interspersed with individual houses and cafes. Development has grown in an *ad hoc* manner, and is generally of a poor quality - unsatisfactory along an important road in a gateway area.

<sup>1</sup> The proportion of population/workers in social class 1 and 2 is substantially less in the area to the south of the Airport (including Ballymun) than in the City as a whole; in 1996 the rate of unemployment in this area was five percentage points higher than the average (1996 Census of Population).

<sup>2</sup> Airport Regions Conference Business and Employment Working Group: Future Trends in airport-related employment, December 2000

<sup>3</sup> Future Trends in Airport-Related Employment, Airport Regions Conference Business and Employment Working Group, December 2000.

A small area of zoned land has been developed for general industry next to the M50 adjacent to the golf course, and a warehousing development and large bus depot are under construction adjacent to the Harristown long-term car park.

Uses nearer to the terminal include a large Aer Rianta sports facility, and a business park surrounded by long-term parking. There are also a number of other individual small businesses scattered along the roads within the study area<sup>4</sup>.

No data is available on employment levels within these sites<sup>5</sup>. Using typical densities taking current British practice (DETR and SERPLAN Guidance and Oxfordshire County Council standards) it is estimated that there are approximately 1,200 non-airport jobs within the study area.

Area	Approximate site area	Approximate no. jobs
Swords Road	40ac/ 16ha	700
M50 area	18ac/ 7.0ha	300
Adjacent to terminal	20ac /8.0ha	1400
<b>Total jobs</b>		<b>2400</b>

### 7.2.3 Wider hinterland

The part of the Greater Dublin Area surrounding the airport is one of the nation's major locations for commercial activity, and the airport is a crucial attractor. Again, there is no direct measure of employment in this wider area. Figure 7.1 shows the current distribution of office and industrial parks in Greater Dublin, and indicates a clustering in the south west, the Docks and on the M50, especially the northern fringe of the City adjacent to the study area.

Figure 7.1, (based on Lisney mapping 2000), demonstrates that there are sizeable volumes of developed and zoned industrial lands with easy access to the airport. Employment on these lands is considerable and growing. The employment centres may be divided into three types and/or locations:

- **The designated growth centres of Swords and Blanchardstown**

Employment in designated growth centres is often in high-skill based, internationally mobile, investment. For example, occupants of Ballycoolin Business Park in Blanchardstown include IBM, Xerox; Symantec and Creative Labs. Employment of IDA-sponsored firms in the Park currently exceeds 6,000.

Similarly, the Blanchardstown/Snugborough Industrial Park contains a number of major companies involved in electronics and computers such as Hewlett Packard. Generally speaking, the significant clusters in Blanchardstown are in computers and electronics.

Some of the most significant employers in Swords are located in industrial development sites that have now become part of the town, e.g. the pharmaceuticals companies Bristol Myers and Olin Chemicals. Other important industrial development sites in Swords include Feltrim Industrial Park which contains the pharmaceuticals company Organon.

<sup>4</sup> The Study on the Dublin - Belfast Economic Corridor presented data based largely on the Kompass Directory of Irish Industrial Estates, along with additional information provided by Fingal County Council. The reader is referred to this report for full listings. However, the listings of industrial development sites and major employers were not intended to be exhaustive, but rather intended to provide an overview of some of the main industrial activities which take place in each of the main development areas. There is no employment data provided in this source.

<sup>5</sup> Latest employment data relate to 1996 and these are by place of residence rather than place of work. Commercial databases such as Kompass are available but incomplete in their employment coverage and therefore unsuitable for present purposes.

Generally speaking, the significant clusters in Swords are in pharmaceuticals and electronics. Indeed IDA sponsored employment in Fingal County increased from some 2,500 in 1990 to over 12,000 in 2000 - the highest employment rate of growth in Ireland.

Centres in Blanchardstown and Swords are easily accessible from Dublin airport via the M50 and the radial national primary network, with travel time less than 15 minutes in most cases – undoubtedly an important factor for many businesses that locate in the area. In Swords, new locations continue to come on stream, such as Swords Business Campus and Airside Business Park.

- **The industrial parks growing up alongside the M50 (South Fingal Fringe)**

The South Fingal Fringe has the highest density of industrial development activity in the County - unsurprising considering this area's proximity to the airport. There are at least 20 industrial development sites, many of which contain major national and international companies with significant employment bases. Generally speaking the range of industrial activities is broad, and rather less concentrated on particular sectors than in some of the other areas (e.g. Swords and Blanchardstown). However, some of the most important industrial clusters are in computers, electronics and freight. Alongside the M50, there is a considerable volume of space being provided, which is being added to established centres. Locations include the Northern Cross Business Park, Ballymun Business Park, Compass Distribution Park, North Ring Business Park, Furry Park, Airport Industrial Estate, Airways Industrial Estate, Woodford Business Park, Advance Business Park, Clonshaugh Industrial Estate and Willsborough Industrial Estate. The Airport Business Park is the centre closest to the airport itself.

- **Older centres in the North East of the City area (e.g. Coolock)**

Within the City, there are older industrial estates and newer office parks in the suburbs, including Finglas, Coolock and Kilbarrack/Baldoyle - areas with historically low levels of educational attainment and high unemployment. A major regeneration scheme is in progress at Ballymun.

As shown in Figure 7.1, the sites on the northern edge form one of the main industrial growth areas around Dublin City, the other main area being to the south west. This is likely to be the pattern for the foreseeable future.

#### **7.2.4 Summary of existing employment**

The Airport is an important employer for the sub-region - there are in the order of 13,000 jobs within the Airport, and a further 2,400 in the environs. It is not possible to make a useful estimate of employment in the hinterland of the Airport outside the study area, but the level of this employment is high and growing rapidly, in locations which are considered favourable from a regional perspective. The ESRI Medium Term Review 2003, quoted in the GDA Regional Report 2004 (Appendix E), forecasts growth in three of the key sectors which directly affect South Fingal and its hinterland: modest in the case of Manufacturing (average +0.25% p.a. to 2010), faster in the case of Market Services (approx. + 3% p.a.) and Transport/Communications (+2.5% p.a.).

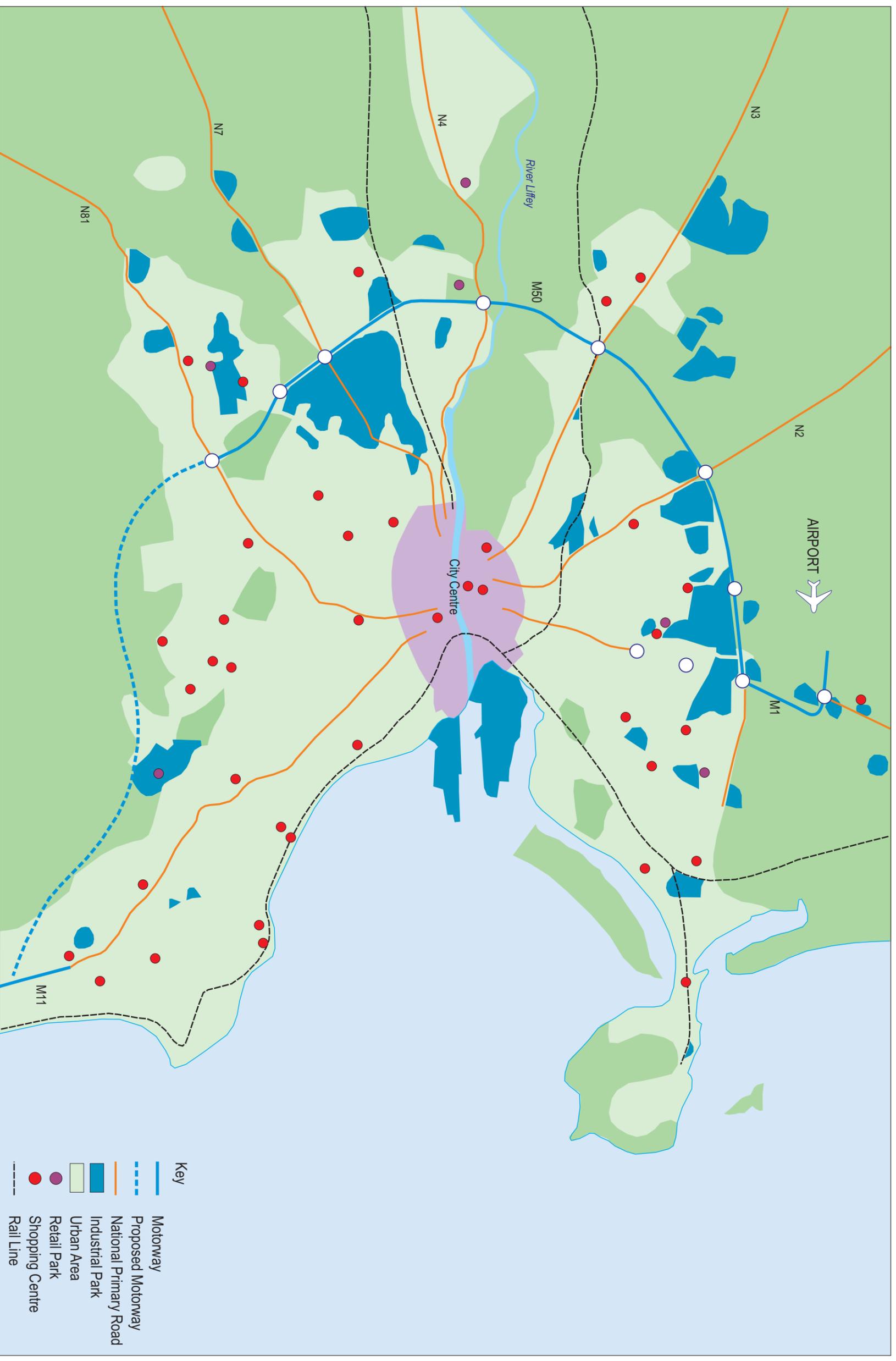


Figure 7.1  
 Employment around Greater Dublin  
 (Based on Lisney mapping 2000)  
 South Fingal Planning Study

## 7.3 Land 'supply' side: policy and land availability

### 7.3.1 Regional employment land use policies

Work done for the 2001 Review of the Strategic Planning Guidelines (SPGs) acknowledged that the economy of the Greater Dublin area was growing more rapidly than envisaged in the original SPGs. These had predicted that the numbers employed in the Greater Dublin Area in 2010 would total 770,000. However, the CSO estimated that the numbers employed in 1999 were 667,000, which means that nearly half the growth in jobs predicted in the 1999 SPGs had already occurred by early 1999. Even with the market slowdown over the period 2001-2003, associated with worldwide economic conditions, the growth performance is still running ahead of SPG expectations.

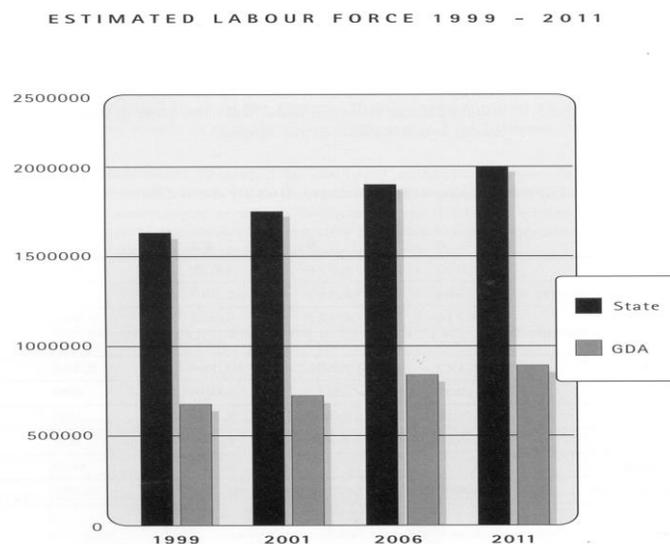
Based on CSO data, the SPG Review estimated that the labour force in Greater Dublin would be 702,000 in 2001 and 765,000 in 2006, see Figure 7.2. The Regional Planning Guidelines (RPGs) update this with a 2002-2012 labour force forecast, which sees the region's workforce growing from 749,676 in 2002 to 835,507 in 2007 and 910,604 in 2012 (RPG Table 6.7).

The 2004 Regional Planning Guidelines (Table 6.9) report the Greater Dublin Area jobs total for 2002 as 741,000, with 68,477 of them in Fingal. The same table forecasts these figures to grow by 134,705 and 32,276 by 2010: that is, to 875,705 and 100,753 respectively. The forecast rate of growth in Fingal (some 47%, or 5% p.a.) is by far the fastest in the region.

The SPGs recognised that the location of future employment development would need to support the wider objectives of promoting the clustering of development in existing centres and decreasing reliance on the car, by locating employment intensive development in nodes on public transport corridors. This theme is continued in Regional Planning Guidelines 2004 (ref. Chapter 2 above).

#### Figure 7.2 Labour Force Growth in Greater Dublin and State 1999-2011

(Source: SPG, Review and Update 2000, p 7; see also RPG 2004 p.118 Tables 6.7, 6.8, 6.9)



### 7.3.2 County Development Plan employment policy

The County Development Plan 1999-2004 (CDP) acknowledged that growth has put considerable pressure on the land zoned for employment uses, and accordingly zoned additional lands for employment, notably in Blanchardstown/Castleknock and Swords (CDP pp18-19). It aimed to encourage more intensive industrial and commercial uses; a high standard of design; providing for a wide range of skills; and to match the demand and supply of zoned land whilst avoiding over-provision. Employment land designations distinguished between

**Established Areas**, where the area's employment character has been established, and covered by Objective ST (science and technology based employment) and Objective E (general industrial employment and related uses); and **Action Plan Areas**, where additional land has been identified for major employment development, covered by Objective ST1 (science/technology based and associated employment in accordance with approved action area plans) and Objective L1 (light industrial employment in accordance with approved action area plans).

The new Draft Fingal Development Plan (section 4.3, pp47-51) modifies this to designate four categories of employment use lands:

- GI: General Industry – for general industrial employment and related uses in industrial areas, for which Table 4.5 sets out a wide range of permitted activities and also states specific exclusions;
- GI1: the equivalent uses and activities in the development areas subject to Local Action Plans (Table 4.6)
- ST: science and technology based employment, in high-quality landscaped environments in established science and technology parks with good access to essential daily services; Table 4.7 sets out the uses permitted in principle and those not permitted; and
- ST1: the equivalent uses and activities in the new development lands to be subject to LAPs (Table 4.8).

### 7.3.3 Zoning policy in the study area environs

#### South Fingal Fringe

- The CDP designated six smaller sites for Objective E general industry within the study area. Four of these border the main terminal and airside facilities; some 50 % of them have been developed.

#### Swords

- Swords is being developed as a growth centre, providing for development in the south east of the County, and including the creation and maintenance of jobs with particular emphasis on continuing development of its high-tech industry. In keeping with the Strategic Planning Guidelines, the plan identified additional industrial zoned lands in Swords; a major area of additional ST1 land for science and technology and L1 light industry to the south; and major areas of Objective E, general industrial land, to the east and north. Some 29 hectares have been designated for science and technology, 151 hectares for general industry and 59 hectares for light industry.

## **Blanchardstown**

- Blanchardstown/Castleknock will continue to be developed as the principal urban centre, and will provide for major industrial and commercial development. The area contains a large proportion of the land zoned for employment uses, and includes committed and additional lands. There are two major employment areas, to the north east and north west of Blanchardstown; both contain land zoned for science and technology land uses. In total, some 915 hectares of land has been zoned for established/additional science and technology uses, 21 hectares for light industrial, and 29 hectares for general industry.

### **7.3.4 Role of the airport in the Dublin - Belfast Economic Corridor**

Fingal County Council commissioned a study on the role of Fingal in the development of the Dublin – Belfast Economic Corridor.

This study recommended that Fingal County Council policy should facilitate developments along the Corridor in such a way as to enhance Fingal's existing industrial clusters which have growth potential. The main clusters of industrial activity in Fingal are in pharmaceuticals, electronics and computer hardware and software. At a local level, the key geographical and sectoral clusters include:

- Swords: pharmaceuticals and electronics;
- Blanchardstown: computers and electronics;
- South Fingal Fringe: computers, electronics and freight.

The statistical analysis which accompanied the study showed that some particular areas close to the Corridor have experienced only limited benefits from the recent economic growth in the County. Such areas tend to have, for example, higher unemployment rates, and larger numbers of people in the lower occupational groups than in other parts of the County.

The Dublin-Belfast Economic Corridor Study recommended that the Council should ensure that people living in these particular areas are enabled to benefit from future industrial developments associated with the Corridor, with priority actions at two main levels:

- facilitating development uses which are labour intensive and have the potential to generate employment; and
- facilitating training facilities, which will enhance the quality of the labour force.

The report stressed the importance of ensuring that the objectives for the Dublin-Belfast Economic Corridor are consistent with objectives for Dublin Airport, i.e. that there should be a horizontal consistency of objectives.

### **7.3.5 Capacity of undeveloped zoned land**

Table 7.3 and Figure 1 in Appendix 3, provide a snapshot of the extent of development at April 2004 of zoned employment land (absolute figures and percentage) in the study area, and with easy access to the airport.

Table 7.3 indicates that in April 2004 a total of 1,717 hectares of zoned employment land is located within the individual areas adjacent to and within the South Fingal Planning

Study Area. The largest amount of zoned employment lands, 965 hectares, is located in Blanchardstown of which 62% is undeveloped. The remaining industrial zoned lands in the overall area comprise 752.27 hectares of which 493.21 (65.5 %) in undeveloped. Detail of individual zonings can be found in Appendix 3.

**Table 7.3: Zoned Employment Sites (hectares)**

(Source: Strategic Planning Unit, Fingal County Council, August 2004)

No	Area	Zoning Type	Total (ha) Zoned	Total Developed 2004 (ha)	Total Undeveloped 2004 (ha)	% Developed 2004 (ha)	% Undeveloped 2004 (ha)
1	Swords						
		E	150.77	97.36	53.41	64.57%	35.43 %
		ST	0.00	0.00	0.00	0%	0%
		L1	59	20.3	38.7	34.41%	65.59%
		ST1	29	7.2	21.8	24.83%	75.17%
Overall Total			238.77	124.86	113.91	52.29%	47.71%
2	Balgriffin and Clonshaugh						
		E	80.9	0.00	80.9	0%	100%
		ST	0.00	0.00	0.00	0%	0%
		L1	0.00	0.00	0.00	0%	0%
		ST1	24.5	0.00	24.5	0%	100%
Overall Total			105.4	0.00	105.4	0%	100%
3	Airport and Environs (M50 belt)						
		E	87.4	29.2	58.2	33.41%	66.59%
		ST	0.00	0.00	0.00	0%	0%
		L1	0.00	0.00	0.00	0%	0%
		ST1	0.00	0.00	0.00	0%	0%
Overall Total			87.4	29.2	58.2	33.41%	66.59%
4	Santry						
		E	77.5	63.7	13.8	82.19%	17.81%
		ST	32.5	0.5	32	1.54%	98.46%
		L1	0.00	0.00	0.00	0%	0%
		ST1	0.00	0.00	0.00	0%	0%
Overall Total			110	64.2	45.8	58.36 %	41.64%
5	Ballymun/ Finglas and Cappagh						
		E	72.2	29.8	42.4	41.27%	58.73%
		ST	0.00	0.00	0.00	0%	0%
		L1	0.00	0.00	0.00	0%	0%
		ST1	39.5	0.00	39.5	0%	100%
Overall Total			111.7	29.8	81.9	26.68%	73.32%
6	Kildonan and Cappoge (Huntstown)						
		E	84	11	73	13.09%	86.91%
		ST	0.00	0.00	0.00	0%	0%
		L1	0.00	0.00	0.00	0%	0%
		ST1	0.00	0.00	0.00	0.00%	0.00%
Overall Total			84	11	73	13.09%	86.91%
7	Blanchardstown						
		E	29.1	24.7	4.4	84.88 %	15.12 %
		ST	354	237.5	116.5	67.09 %	32.91 %
		L1	21	0	21	0	100 %
		ST1	561	107	454	19.07 %	80.93%
Overall Total			965.1	369.2	595.9	38.26%	61.74%
8	Coolatrath						
		E	15	0.00	15	0%	100%
Overall Total			15	0.00	15	0%	100%
<b>Grand Total</b>			<b>1717.37</b>	<b>628.26</b>	<b>1089.11</b>	<b>36.58 %</b>	<b>63.42%</b>

### **7.3.6 Summary of employment land availability**

The national economy slowed at the turn of the century from the very high growth rates of the 1990s, but since early 2003 growth has resumed, and Oxford Economic Forecasting (OEF) envisaged 4% p.a. GDP growth to 2007. Thus, the Dublin region is facing a very significant increase in its labour force and employment in the period ahead. A sizeable proportion of this increase will be provided for in Fingal.

Despite the projected labour force increase of 100,000 in the next decade, sufficient zoned and undeveloped land has been provided for in the Development Plan to cater for requirements: two-thirds of the zoned land in the airport hinterland was not yet developed at spring 2003, and could cater for up to 160,000 workers, at reasonable densities.

Most of the areas zoned for employment are in centres identified by the Regional Planning Guidelines and the County Development Plan, as growth centres. Although it is not possible to be exact, land now zoned is sufficient to accommodate expected employment increase in the foreseeable future.

## **7.4 Land 'demand' side - economic background and market preferences**

### **7.4.1 Office market analysis**

Demand for office space in the Dublin region was at unprecedented levels during the 1990's, and continued to outperform other property sectors up to 2000. Prime office rents climbed faster in Dublin than in any other European capital during 2000, dominated by IT/communications and financial services. These sectors and the software sector are expected to continue to dominate the office sector over the next few years. Since 2001, two difficult years have seen a sharp fall-off in demand, and oversupplying in much of the market. This has now bottomed out, according to the CBRE Gunne analysis for 2004, led by rentals in Central Dublin. Vacancy rates, which rose from an unprecedentedly tight 2% in 1998-2000 to a very high 15% in 2002, are now falling back to the 10% level: though Jones Long Lasalle record suburban vacancy levels as remaining high (27% in late 2003).

Demand remains strongest in the City centre (Dublin 2 and 4), where there is an emerging shortage of quality space. Recovery is expected to follow in the suburbs, in areas such as Sandyford, City West, Park West and Blanchardstown, particularly on the south side, where the construction of Luas has affected market sentiment. Some 63% of take-up in the year 2000 was in the suburbs, whereas by late 2003/early 2004, market reports showed that the suburbs accounted for much less of the total: 50% in late 2003 according to JLL, 33% in Q2/2004 according to CBRE.

Similarly, completions have fallen off sharply. Around the M50, whilst around 100,000 sq.m. (1m sq.ft.) was expected to have come on-stream in 2000, JLL report only some 8300m<sup>2</sup> completing in Q4/2003 (less than 10% of the total market).

Dublin Airport and its environs remain a potentially significant draw in terms of office development, but until there is confirmation of the construction of public transport links, the popularity of office space in these northern suburbs will be more of an issue for the medium to long term.

The gap between city centre and suburban rent levels, as rent increases levelled off in the suburbs with new supply coming on-stream, might eventually be affected by the expected decentralisation of public sector employment, intended to relocate activity to

the regions. But this policy is only in its early stages; at present the central market remains predominant, and is expected to remain so.

#### **7.4.2 Warehousing and industrial market analysis**

As with the office sector, demand for industry and warehousing in the Dublin region is strong and is likely to remain so for the foreseeable future. Demand has started to fuel the first speculative developments. Demand to lease space, whilst not as strong as the demand to buy, is still good. Take-up of 300,000m<sup>2</sup> was recorded by CBRE Gunne in 2003, with evidence of supply tightening in some suburban markets, notably SW and NE of Dublin.

The sector that has had the biggest single impact on the industrial market is the growth in the telecommunications industry, with a rapid uptake of large facilities on the market. The larger companies require large warehouses with security, access to the fibre-optic network and a large power supply (c.1 KVA per sq.m.). The large electrical power requirement that these companies require can be a constraint with a number of projects earmarked for Dublin on hold, whilst others have opted to use gas turbines.

Other market influences expected to affect the volume and distribution of demand include:

- E-commerce will impact on the industrial sector in the years to come.
- E-tailers will require efficient distribution centres with good road access.
- There will continue to be strong demand for high-tech industrial space (units with a high office content) and high-bay logistics buildings.

#### **7.4.3 Summary: locations favoured by the market**

Market sources <sup>6</sup> consulted indicated that demand for industrial and office space remains strong across the board in the Greater Dublin area, from distribution and warehousing, to telecommunications, manufacturing and healthcare. This reflects the expanding national economy, Dublin's central role in that economy and the continuing demand (though quite locationally-discriminating) for quality industrial and office space. Fringe airport land is particularly attractive due to its association with and proximity to, the airport, coupled with good links to the M50 and the radial road network. It will also attract interest in the future because of the proposals for public transport links between the Airport and City centre a phenomenon already evidence is association with the LUAS project to the south.

Further, development demand is in any event decentralising, due to the redevelopment of sites for higher-value uses, such as offices, particularly in the City and South of Dublin; this is expected to continue.

Thus the area around the airport, and between Blanchardstown and Swords, is tipped as one of the 'hot-spots' for the market. This is due to the availability of land that is suitable and zoned for industrial use, indicated earlier in this chapter. Land values in such locations increased dramatically over the decade to 2001, with over £2million / acre

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<sup>6</sup> Absence of comprehensive up-to-date statistics means that market briefings by commercial operators are one of the most significant sources for discussion of market trends in offices, warehousing and the industrial market. Sources used include: Lisney Property Review 2000-2001; Hamilton Osborne King Property Outlook Summer 2000; The DTZ Brief, Issue 2, 2000 (DTZ Sherry Fitzgerald); Insignia Richard Ellis Gunne Property Outlook 2001. This has been particularly updated by reference to CBRE Gunne Commercial Property Outlook 2004.

(€7m/ha) capable of being paid for office development sites.<sup>7</sup> This is expected to continue to increase, fuelling further growth in rental and capital values, following the plateau since the economic shock of 2001-2003.

It may also be noted that the airport location continues to attract interest from hotel operators, as is entirely logical. The latest, and major, additions to the stock, will be a 200 bedroom Holiday Inn Crowne Plaza, (open 2004).

## **7.5 Matching demand and supply: alternative policy scenarios**

The following policy choices present themselves for the areas of land to the east and south of the airport:

- Apply the strategic planning policy literally, direct future commercial/office expansion to Blanchardstown and Swords, and allow (limited) airport-related commercial development within the operational area of the airport, between the two runways, and/or the area between the M1 and N1; **and/or**
- Follow the Aer Rianta logic and reserve the land north of the M50 for specific airport-related commercial uses, possibly including cargo-related uses, as well as some expansion to the east; **or**
- Interpret policy to allow high-value commercial uses sought by the market on the adjoining lands, with no special case for airport needs, and encourage Aer Rianta to look within the broad airport envelope for cargo-handling and other support activities.

The development scenarios arising from the application of these policies are examined in turn (see Figure 7.3).

### **7.5.1 Scenario 1: in accordance with strategic policy guidance**

This section explores the logic of following policy guidance fairly directly. As Chapter 2 (2.3.1) above notes, the thrust of Regional Planning Guidelines is towards concentration and to a close relationship between new development and public transport (existing and new). So the location of further employment land must support strategically the consolidation of development and decrease reliance on the private car. Almost all of the area surrounding the airport is located within the Green Belt or in areas of rural value, remote from the two main Development Centres of Blanchardstown / Castleknock and Swords. This is a strong determinant of policy under this scenario.

The RPG logic, if applied, would suggest that areas to the east and west of the airport lands would not be zoned for employment uses, since they are rural in character and will remain distant from proposed public transport routes. Parts of these areas fall within the existing Safety Zones, and therefore employment-intensive development in these areas is subject to advice in the draft ERM study.

In addition, 'shed style' storage and warehouse-type development could have a detrimental impact on the character of the area. The area would not be zoned for employment uses, as it would result in fragmented development, increased commuting by private car and the loss of the rural character of the area.

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<sup>7</sup> Ref. King Sturge Airport Property Market Survey 2001, P.29 "Dublin"

The main exception, which has a strong development logic, is the land to the east of the airport but west of the M1 (between the approach glide-slopes).

The area between the M50 and the airport operational area would not be a favoured location in the short to medium term for office development, as the RPGs emphasise that further office development should be in Development Centres or the Multi Modal Transport Corridors. Blanchardstown and Swords are both within easy driving distance of the airport, particularly with the proposed road improvements, and will be attractive in market terms. So there is no overriding case for the release of this land in terms of the needs of the airport or its associated activities (see Chapter 5). Nor is there a requirement for these lands for more general employment creation (see Section 7.3.3). These policies would also be supported by Fingal's stance on the development of the Dublin - Belfast Economic Corridor.

In the longer term, this provision might be reviewed, once the public transport improvements proposed through the area and into the airport are actually in place. However this would suggest a more focused and high-density development clustered at a metro station, not a land-extensive development land relying only on road access. At this point, but not before, release of development would accord with the principles set out in the RPGs. It is unlikely that office-focused developments would be appropriate in this area, outside these public transport and central service nodes.

Nor is there any particular case based on local labour market conditions: the local workforce is if anything less suited than the regional average to office employment, given a number of deprived residential areas in North Dublin, comprising a relatively high level of unskilled workers and early school leavers.

### **7.5.2 Scenario 2: meeting operational requirements of the airport**

This section sets out the arguments for releasing the lands adjoining the airport, for airport-related use. The areas for development have to be assessed in relation to the operational requirements of the airport as set out in Chapter 5, and the requirement that development must not inhibit its growth. Chapter 5 establishes a preferred scenario of locating the expanded cargo facilities between the two runways. And there are ancillary uses listed in Chapter 5 that could be located within the Designated Airport Area (DAA), or on land around the airport. These include hotels, cargo and freight-related facilities, long term parking and car hire, catering facilities and petrol stations.

The area between the M50 and the main runway currently includes a number of these uses: adjacent to the entrance to the airport from the M1, in clusters along Swords Road, and on isolated sites along the M50. The remaining area includes recreational facilities and undeveloped open space.

A zoning could be identified that makes provision for airport-related development around existing clusters of employment activity. This could be combined with maintaining the area's role as a buffer between the edge of the city and the airport, although this would become increasingly eroded. Our judgement is that an existing combination of policies together with the DAA zone is sufficient (see 7.7 below).

### **7.5.3 Scenario 3: satisfying the market**

This section considers an 'open release' approach to these lands. The discussion of demand-side conditions, makes it clear that the area around the Airport is a very attractive one for developers, and there is little doubt that, if land in the immediate

proximity of the airport were zoned for employment uses, it would be taken up, if not immediately, then over the next ten years.

This is reinforced by the findings of a Coopers & Lybrand research study (see Appendix 3) looking at the perceived benefits of locating next to Gatwick airport. Gatwick has a throughput of 30m ppa; the envisaged size of Dublin Airport in 2020.

This study underlines the importance of the airport as an attractor of development. However, it is *the geographical area of impact* which is of particular relevance. Figures 7.4 and 7.5 illustrate the location of major employment and industrial centres in close proximity to both Heathrow and Gatwick airport terminals. The areas are between 2 and 10 km from the airports, well within the identified 30-40 minute drive-time threshold. For example Bedfont Lakes and the main hotel complexes are about 3km, and Stockley Park is just over 5km away from the Heathrow terminals. At Dublin airport, all the land currently zoned for employment uses around the northern City edge (2.5km), at Swords (3km) and at Blanchardstown (8km) is well within a 30-40 minute drive time to the airport. Taking a conservative 30-40 minute drive-time for 18 km, the sphere of market influence of Dublin airport actually extends as far as the coast to the east, Rush to the north and Lucan to the west.

This suggests strongly that there is no real market-based case to override policy, and zone further land for business use right next to the airport, as the sphere of market interest for the airport in 2020 will include a number of locations that are better suited to employment development in policy terms. However, subject to planning requirements, existing employment areas south of the runway would benefit from some consolidation and improvement, (particularly if it contributes to the environmental enhancement and upgrading of the Old Swords Road area).

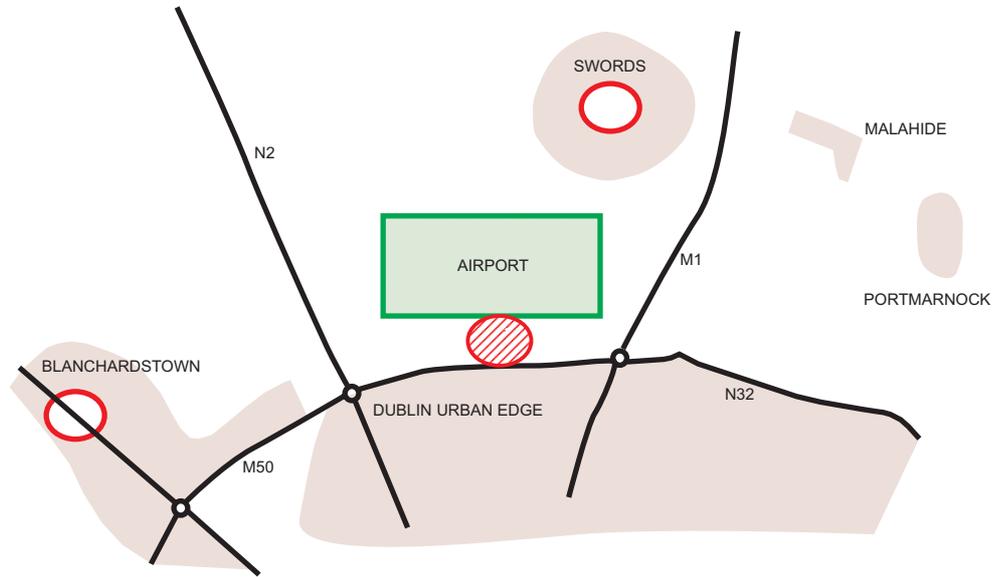
This conclusion is reinforced by the Airport Regions Conference Business and Employment Working Group's report on Future Trends in Airport Related Employment.

The study suggests that local authorities should take labour market issues into consideration, as well as other factors such as the impact on the surface transport system serving airports, before proposing and approving business park type developments in the vicinity of airports:

*"In a context in which airport-related companies may already be struggling to secure sufficient labour with the required skills, the introduction of a new development in the vicinity which does not need to be in that location and which will compete in many of the same labour markets, may compromise the future operation and expansion of the airport. Such a policy stance would reflect the strategic importance of the airport for the local, regional and in some cases, national economy". (p.43)*

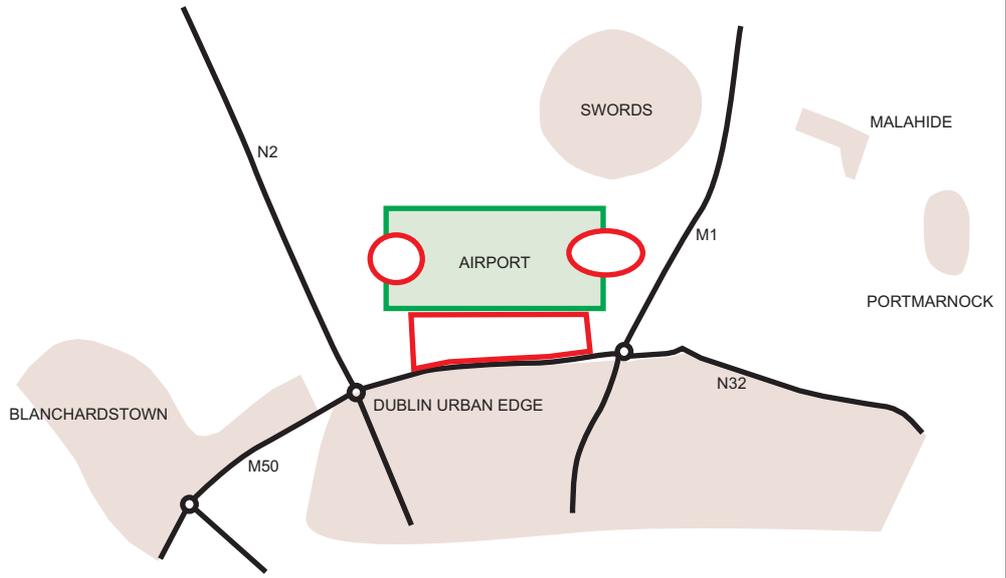
### SCENARIO 1: POLICY DRIVEN

- Key
-  Urban areas
  -  Designated Airport Area
  -  Major roads
  -  Employment growth
  -  Employment growth - subject to public transport



### SCENARIO 2: AIRPORT DRIVEN

- Key
-  Urban areas
  -  Designated Airport Area
  -  Major roads
  -  Employment growth



### SCENARIO 3: MARKET DRIVEN

- Key
-  Urban areas
  -  Designated Airport Area
  -  Major roads
  -  Employment growth

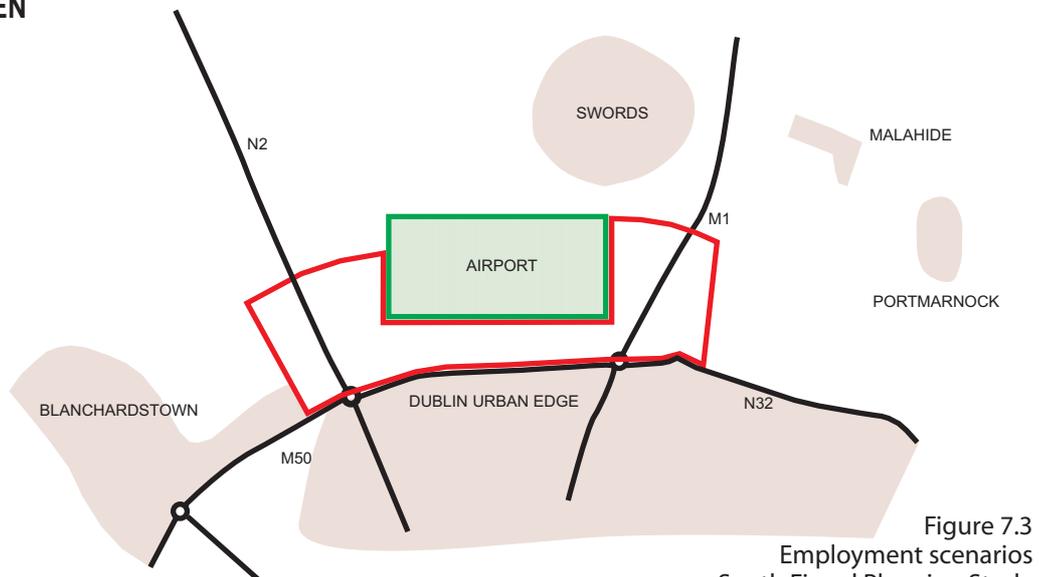


Figure 7.3  
Employment scenarios  
South Fingal Planning Study

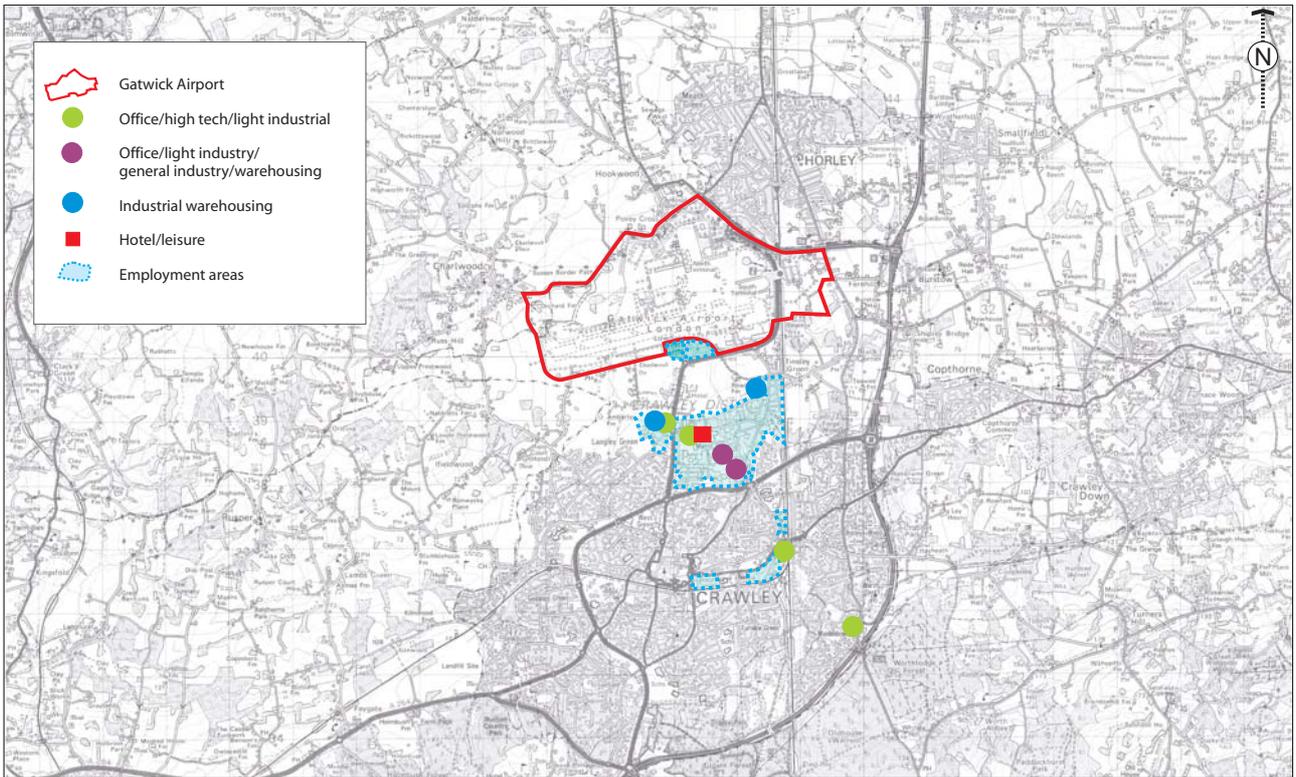


Figure 7.4  
Employer uses around Gatwick Airport

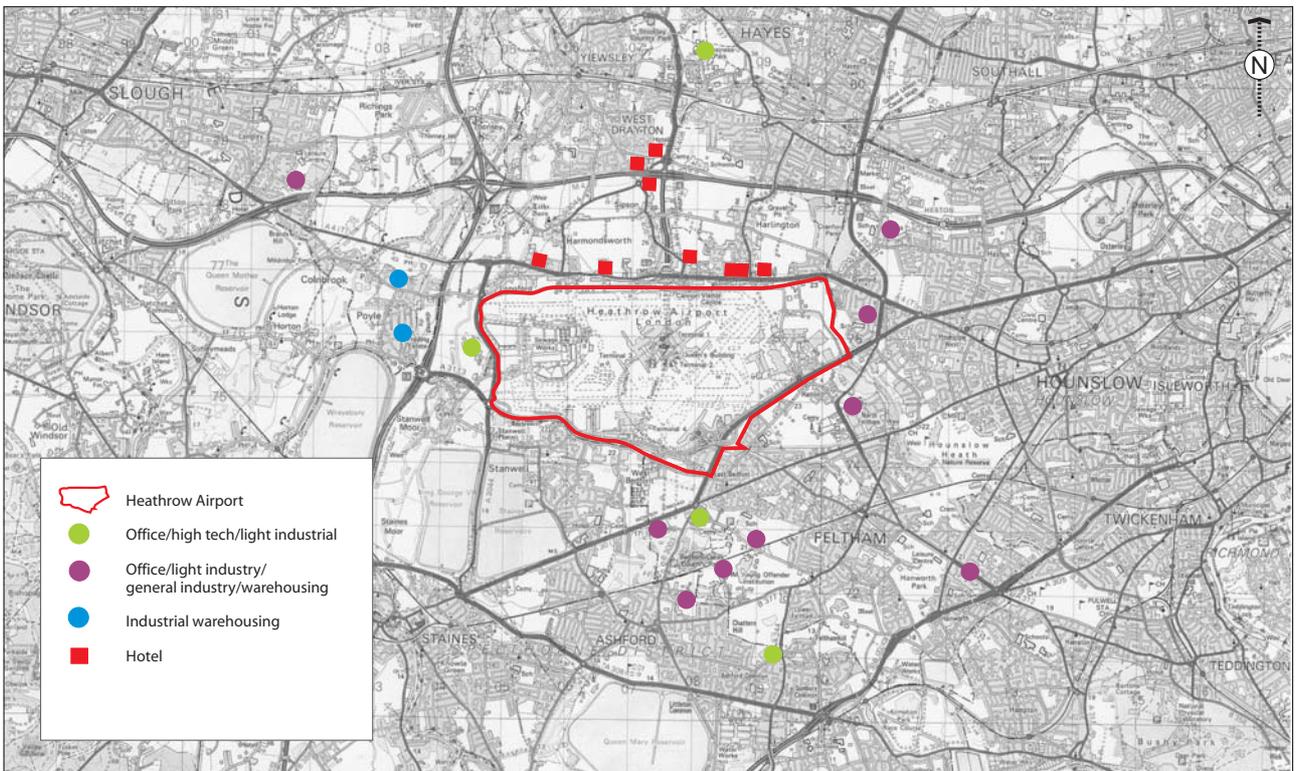


Figure 7.5  
Employer uses around Heathrow Airport

#### **7.5.4 Summary of Scenarios**

In summary, the three development scenarios present a range of approaches to developing the land around the airport; from restricting development in strict accordance with strategic policy guidance, to allowing demand led development.

Following the recommendations of the strategic policy guidance, employment intensive development would be limited to the land to the east of the airport but west of the M1, between the approach glide slopes. However, in the longer term, there may be potential for some high-density development around transport nodes once proposed public transport improvements were in place. This scenario supports the RPG recommendations of limiting new development to land in the Development Centres and the Multi Modal Transport Corridors, thereby protecting the rural character of the area.

At the other extreme, allowing market led development would almost certainly lead to take up of the land by businesses seeking a location close to the airport. However, there are other locations within a reasonable distance of the airport that would be more appropriate in planning policy terms, therefore there would be no genuine market based case for the implementation of this scenario.

The alternative scenario, one that falls between the policy led option and the demand led option, would successfully meet the operational needs of the airport yet maintain the buffer between the edge of the city and the airport. This scenario would involve locating the expanded cargo facilities between the two runways, locating ancillary uses within the designated airport areas or around existing clusters of employment activity close to the airport.

#### **7.6 Retail Development**

This section considers the nature of retail requirements in the study area, as a separate and special case within the wider commercial development sector. Retail policy is set out at a national level in Retail Planning Guidelines (see Chapter 2, section 2.2.3 above), in the Regional Planning Guidelines (Section 6.6, p.122) and the Greater Dublin Retail Strategy (GDRS), to which the RPG's make explicit reference (see 2.3.2 above).

##### **7.6.1 Retail provision in Fingal County**

The distribution of retail floorspace in Fingal County is given in the Consultation Report in the GDRS. Appendix 3 contains a breakdown of the information relating to Fingal County.

The main retail centre in Fingal County is Blanchardstown, a sub-regional town centre which serves a catchment area extending over much of Greater Dublin, and also serves as a district centre for the local population. The significant convenience goods content of Blanchardstown serves an important local function. The GDRS indicates that some 41 per cent of the convenience turnover and 69 per cent of the comparison goods turnover of Blanchardstown derives from residents living outside Fingal County.

The second largest centre in the County retail hierarchy is Swords. The Pavilions, a major new retail centre has recently opened, incorporating Dunnes Superquinn and TK Maxx anchor stores and 49 units. This has more than doubled the town's retail floorspace.

Prior to this extension all convenience turnover in Swords and 90 % of comparison turnover was derived from residents. It is still a relatively self-contained centre, although the recent extension is bound to result in an expanded catchment area.

There are some 22 small and medium scale retail centres and retail parks elsewhere in the County. The most significant in relation to the airport is Malahide, which amounts to just 600m<sup>2</sup>. The GDRS indicates that these other centres draw almost all their turnovers from within County Fingal.

Fingal then, is well served by established retail centres. Outside Dublin City, Fingal has the largest volume of retail provision of all Greater Dublin counties. Moreover there is a good range of provision and consumers have a wide choice of shopping opportunities in a variety of different locations. It is concluded that there is no retail deficiency within the County at present.

### **7.6.2 Retail provision in South Fingal**

The shopping hierarchy within which the study area is located is dominated by Dublin City Centre – the biggest retail core in the state, with the most powerful draw and widest catchment, only 8 km (5 miles) to the south. Higher-order purchases, especially of comparison goods, are fully met by that provision; plus, to a lesser extent and more recently, by developments at Blanchardstown and Liffey Valley. There are also a number of recent retail warehouse developments.

Below that level, residents of South Fingal are well served by convenience goods/food retail facilities: in the town centres of Swords and, to a lesser extent, Malahide, and the local shopping centres in North Dublin. Given the low current residential population of the study area the limited expected increase in population/households and therefore spending-power - and the available facilities, there does not appear to be any anticipated demand to justify additional retail provision.

The GDRS report does not cover retail floorspace at Dublin airport. No account is taken of the retail function of airport shopping as this is considered to be a specialist function serving a largely non-resident based catchment, largely unrelated to the Dublin area. This approach is consistent with that adopted in relation to airport shopping at UK airports.

### **7.6.3 Tesco at Clare Hall**

A major retail development at the Malahide Road/Clare Hall junction, just within the City boundary, was granted planning approval by Dublin City Council in June 2001 and is currently under construction. It comprises a Tesco anchor store of 5,452 sq m including food and non-food retail space with supporting storage and staff facilities. The District Centre also includes a further 19 retail units, office units totalling 2512 sq m, and 825 car parking spaces. The new store will clearly draw some of its customer base from the South Fingal area, and will widen the range of facilities available to local residents.

### **7.6.4 On-airport retail provision**

On-airport shopping needs separate consideration. There is an important distinction to be drawn between retail provision on and off the airport. On-airport refers to retail provision within the terminal, directed principally at passengers but also potentially serving workers. The GDRS does not cover shopping at the airport, where existing on-

airport retailing is estimated by Aer Rianta at about 7-8000m<sup>2</sup> of floorspace. This is about equivalent to a small town centre like Balbriggan.

Serving passengers' needs in this way is essentially a matter for Aer Rianta, and in the normal run of things should not impact on off-airport retail policy. The only circumstances under which it might do so are after privatisation: a more commercially-aggressive airport operator might try to exploit locational advantages to develop land within the Airport for purely commercial development, unrelated to airport operations. If this were to include shopping provision which could not be related to passenger throughput (or a limited amount of employees' daily needs), but was clearly emerging as a part of the 'normal' commercial stock targeting the same spending-power as established town centres, then it would clearly be contrary to the thrust of policy guidance. The Airport Action Plan will address the type, quantum and location of retail provision within the DAA.

### **7.6.5 Policy choices for retailing**

The clear thrust of national and regional planning policy guidelines is to locate additional retail development within established or planned town centres where retail provision can best serve the local community. Additional comparison or convenience retail development outside established town centres would conflict with planning policy (see Appendix 3). There is thus little scope for providing additional retailing in the South Fingal study area. In relation to the airport itself, the expansion of retail provision above that required to service the needs of airport passengers would clearly contravene both national and regional planning policy. Expansion of airport shopping should therefore reflect the rate of expansion of passenger throughput.

In relation to retail warehousing, planning policy is more relaxed although it is still a requirement to locate development where it would best meet the needs of the local population. The study area clearly is not a focal point for local residents and is not easily accessed for residential neighbourhoods within a 15-minute drive by sustainable forms of transport. Even if it was concluded that retail warehouse development in the study area would not contravene retail planning policy, it would still conflict with a key objective of the Retail Planning Guidelines, namely the presumption against major retail development adjacent to junctions on the national motorway network.

There do not really seem to be any significant policy choices in relation to retail development in the study area. There must be a clear policy presumption against retailing outside the immediate airport boundaries. In relation to retail provision within the airport itself, the preferred treatment is to frame restrictive policies limiting the type, quantum and location of retail provision solely to the needs of airport users.

## **7.7 Preferred scenario for commercial development policy**

### **7.7.1 Growth assumptions and policy**

The demand for land for employment purposes within the study area is strong, and will increase in the period ahead. This demand will derive from the airport operations themselves, ancillary activities and, crucially, economic activity which, though not directly related to airport operations, sees an airport location as an advantage to be sought.

Development, however, should be seen to be policy-led rather than demand-led - this means that demand *per se*, is not the main issue in terms of ensuring the proper planning and sustainable development of the study area.

- There is sufficient zoned land, at least in the short to medium term, to facilitate the required employment in South Fingal, within the established and agreed development centres. This conclusion is reinforced by recent economic trends which suggest the probability of a temporary slowing of demand. (ref.RPG Regional Report, Section 2, p.28).
- The distance of these centres from the airport will not act as a deterrent to investment. Evidence from UK airport studies on the required proximity of an airport for office development indicates that the development centres in Fingal are well within the maximum drive time which is acceptable to occupants of such developments: there are many sites for business parks and related activities within a 15-minute drive. These are the locations to which employment-intensive uses should be directed in the first instance.
- The principle to be applied in the environs of the airport is that *development should not be permitted that does not need to be in this location*. In short, the Council should only allow commercial development as part of the consolidation and environmental improvement of existing areas (particularly along Old Swords Road).
- There are locations within the study area which will in time be well served by public transport and which will eventually, therefore, be suitable for employment-intensive development, provided that such development does not prejudice airport operations. However, the exact routes and stops are not yet known and until that is the case, the airport environs should not be a focus for employment-intensive development.
- Once the public transport is in place, reconsideration of the policy may be appropriate, depending on the availability of lands served by public transport at other locations, at that time. Until they are in place, no additional lands should be released for development.

To the above should be added the point that the airport itself is not only an important gateway and a vital piece of national communications infrastructure: it is itself a very significant direct and indirect employment generator, as indicated earlier in this chapter. There is no activity in the study area which has a greater employment creation potential than the airport itself.

The wide range of quality employment opportunities provided should not be compromised by allowing a pattern of development within the study area which may eventually curtail possible future airport operations and thereby down-grade overall development opportunities in the area.

Having excluded the types of development set out above, it is recommended that the following land use policies should be adopted, based on the requirements for efficient operation of the airport, the preservation of the green belt and full utilisation of committed and proposed infrastructural investment, the following land use policies should be adopted:

#### **7.7.2 In the short and medium term**

- Cargo handling development should be restricted to the area between the runways, based on the arguments on efficient airport operations, as set out in Chapter 5, 5.9.
- There is no strong case for further employment-related development (other than at the Airport itself) on either policy or airport growth grounds. Coupled with acute concerns over transport system capacity (Chapter 6), there should therefore be no

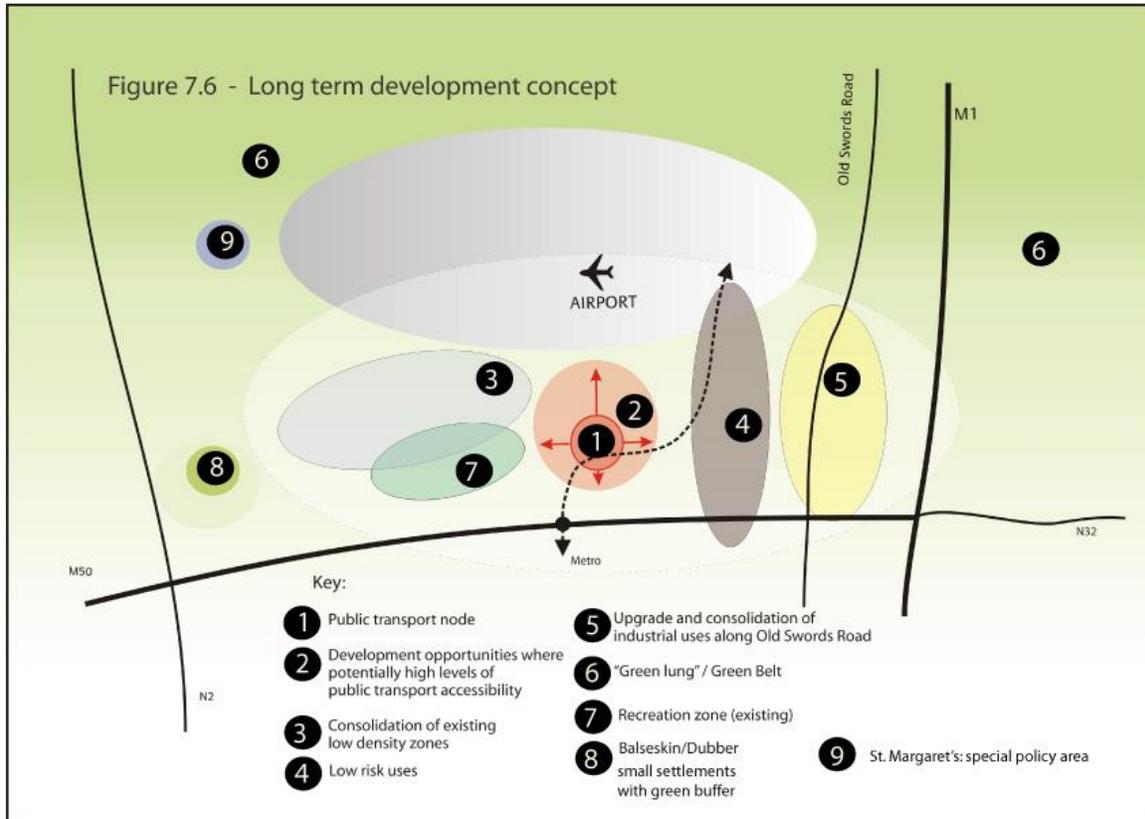
further land released for development between the southern runway and M50 in the short or medium term.

- Existing employment designations and existing industry along Swords Road should be encouraged, where development consolidates and raises the quality of existing employment areas. In particular, poor quality development like that currently lining Swords Road should be upgraded and/or replaced. Airport-related car parking provision may also be appropriate as a temporary use. Redevelopment of such parking areas to uses other than open space and recreation should not be permitted (Chapter 5, 5.4.5).
- In the special case of the sites which are just outside the study area boundary and are directly to the north of the N32 (east of the Turnapin interchange) the existing zonings can be retained except in the case of the western most site which should be changed from housing to a commercial zoning. However, the timing of the development of these lands may be contingent on satisfying road conditions (Chapter 6, 6.8.8 – 6.8.9).

### **7.7.3 In the long term**

- Areas of search for proposed public transport routes and depots will be signalled to landowners and developers, and where necessary protected from all forms of development and formal recreational use (Chapter 6, 6.8).
- Once the public transport networks are committed, the area between the southern runway and the M50 should be re-examined, as it may be suitable in policy terms to encourage a node of high-density, employment-intensive development around a multi-modal transport interchange. A conventional “business park” approach would therefore be completely inappropriate. The uses, employment and mode share must be based on predominance of public transport usage, and car parking provision should be tightly restricted to (a) ensure that this is the case and (b) strictly limit the impact on the surrounding critical road network. The extent of the developable area will need to be determined by the area within walking distance of the public transport interchange. The diagram below shows how this concept might work. However, beneath the approach path of the cross-runway, only ‘low-risk’ uses will be appropriate. To the west of the area, some consolidation of the existing logistics uses would be appropriate, provided that activities are “lorry heavy/car light”, thus making efficient use of the location without saturating the road system with staff journeys. There will also need to be provision for a Metro depot in this area (ref 6.4.2 above). Figure 7.6 sketches out a development concept for this area. In the intervening period, any further uses permitted should be of such a nature that they do not prejudice the long term development potential of this location.

**Figure 7.6: Long term development concept**



#### 7.7.4 Retail Provision

- There should be a clear policy presumption against retail development outside the airport boundary/DAA (7.6.5 above)
- Within the airport/DAA, the type, quantum and location of shopping will be closely restricted to that serving the needs of airline travellers.