



**BUNTINGFORD WEST – LOCAL CENTRE AND
EMPLOYMENT AREA**

UPDATED MARKET REPORT

**PREPARED FOR
VISTRY HOMES LTD**

06 JUNE 2024

1.0 INTRODUCTION

1.1 Coke Gearing are aware that a planning application for this site was prepared in 2017 and later withdrawn. Vistry Homes submitted a further outline planning application in 2023 - Application number: 3/23/1447/OUT, which was refused consent in February 2024 and is now being appealed by Vistry Homes, as there is not only failing housing land supply but also a shortfall in employment provision.

1.2 Proposed Description of Development:

Current planning appeal against the refusal of the 2023 outline planning application comprising:

(i) an outline planning application for the development of up to 350 residential dwellings (Use Class C3), up to 4,400 sq m of commercial and services floorspace (Use Class E and B8) and up to 500 sq m of retail floorspace by way of a local centre.

on land east of the A10, Buntingford, Hertfordshire SG9 ('Buntingford West').

1.3 The proposal is that the Local Centre can serve the new and nearby existing community (which is complimentary to the nearby town centre facilities) and therefore improve its sustainability, while complementing the proposed employment use and benefiting from passing trade via the new junction with the A10. The inclusion of an area for employment would also help to improve the balance and sustainability of the proposals. We feel that this proposal for the commercial elements is very credible from a market perspective.

1.4 Coke Gearing have been instructed by Vistry Homes Ltd to provide updated advice on the suitable sizes and uses for the Local Centre and Employment area, in addition to providing a statement on the market demand for the proposed uses.

Main brief

1.4(i) Local Centre element:

- Local retail market conditions - is there already a demand for a Local Centre nearby?
- Retailer search lists, i.e. are retailers already looking for premises in this area?
- The level of retail expenditure likely to be generated by the development and the floorspace necessary to meet this.
- Optimum sizes for Local Centres, i.e. as seen in other similar developments, to meet community needs and therefore be viable.
- Justification for the size, location, format of the Local Centre proposed.
- Potential for a GP surgery premises.

1.4(ii) Employment element:

- Local employment space conditions, i.e. is there already a demand for employment space in this location?
- Business premises search lists, i.e. are businesses already looking for premises in this area?
- The level of floorspace necessary to meet demand.
- Optimum sizes for employment space, i.e. as seen in other similar developments, to meet community/business needs and therefore be viable.
- Justification for the size, location, facilities, format of the premises proposed.

2.0 **EXPERIENCE**

2.2 Coke Gearing (CG) is an independent practice of commercial Chartered Surveyors with a nine-strong team offering over 100 years' combined experience in the commercial property market in Essex and Hertfordshire.

2.2 With a head office in Bishop's Stortford and a subsidiary office in Chelmsford, we specialise in all forms of commercial property, including development, occupational requirements, investment and associated professional and valuation work.

2.3 Our clients include a range of major property companies and developers, private individuals and occupiers from all walks of the corporate world.

2.4 We have, on several occasions, produced reports for clients which have been submitted to various local authorities, including East Hertfordshire, Uttlesford, Epping Forest and Braintree District Councils, in relation to economic viability and marketing recommendations to support assessment of planning decisions.

2.5 We have carried out a number of marketing reports and employment land reviews throughout the South East and are regularly instructed on mixed-use development schemes. We are therefore very well placed to comment on the local market, occupier demand and known supply in the local area.

2.6 The author, Louise Campbell MRICS and Registered Valuer, has been working as a Chartered Surveyor specifically in this location + 25 miles for the last 13 years.

3.0 **LOCATION**

3.1 "Buntingford West" is located on the western side of the town off Luyne Rise and is enclosed to the west and south by the A10. Buntingford town centre is within easy walking distance from the site to the north east.

3.2 The site is approximately 16 kilometres from Bishop's Stortford and the M11 and a similar distance from Stevenage and the A1 to the east and west respectively.

- 3.3 Buntingford lies approximately equidistant between Cambridge and the M25 and sits astride the old Roman Road, currently following the route of the A10.
- 3.4 The town has a number of bus services together with the demand responsive Herts Lynx. Of note, there is a good bus service from Buntingford to Baldock with a travel time of only 20 minutes providing a good commuter link to Baldock station (on the London Kings Cross and Cambridge line).
- 3.5 Access to the motorway network is via the A10 to the south, which runs via Hertford and Ware and connects to the M25; to the east the A120 gives access to the M11 at Junction 8; to the west the A505 gives access to Baldock and Letchworth and ultimately Stevenage and the A1M.
- 3.6 There is no mainline railway service at Buntingford, the nearest station being Royston on the Cambridge/Kings Cross line.

4.0 DESCRIPTION

- 4.1 The outline scheme will provide up to 350 homes plus up to 4,400 sq m of commercial and services floorspace (use class E and B8) and up to 500 sq m of retail floorspace by way of a local centre.
- 4.2 The proposed scheme's commercial and retail elements will be arranged across three areas (as shown on the application land use parameter plan), two opposite areas for the Local Centre and one for the Employment, all adjacent to one another and in close proximity to the new access proposed from the A10
- 4.3 The Local Centre will include up to 500 sq m of floorspace which under use class E is suitable for retail, food & drink, office, financial-professional services, indoor sport-fitness, creche-day nursery and medical-health services. This could also include a workspace hub and we note that a mobility hub is proposed adjacent to the bus link and active travel link to Luyne Rise providing bus connections, wayfinding point, EV rapid charging and community lockable-parcel storage.
- 4.4 The commercial areas to the site are shown with a total land use area of 1.21 ha (this being 0.66 ha employment plus 0.55 ha Local Centre) on the land use parameter plan forming part of the application.
- 4.5 With regards to the apportionment of uses to make up the 4,400 sq m, this is an outline application with neither layout nor illustrative masterplan supporting the application. As such, this is currently a "blank page" and will be subject to reserved matters but will consist of commercial and services floorspace (use class E and B8). That said, the 2022 planning application did include more illustrative detail on the employment area and the DAS supporting that application includes illustrative details of the local centre, medical centre and employment area. These being shown in three separate, but adjacent areas. Within the employment apportionment of up

- to 4,400 sq m there could be scope for a possible GP medical surgery, if supported by both the GP practice and the NHS local ICB.
- 4.6 The site appears to be level and is mainly free from constraints in relation to development; save for possible odour mitigation design consideration. Access to the commercial areas appears to be ideal in terms of the wider scheme and those passing by, there is also good traffic separation proposed between the commercial and residential elements.
- 4.7 From the parameter plans and previous 2022 proposals, we are of the view that the outline application/scheme provides the opportunity to create modern, flexible accommodation with a variety of individual areas depending upon the ultimate sub-division of the terraces, which will offer high quality, energy efficient modern buildings suitable for a range of uses and aimed at the smaller local and regional occupier.
- 4.8 We are of the view that some degree of flexibility will need to be maintained in relation to the precise sub-division of the terraces in order to establish the level of demand, but it would appear that these units will be capable of sub-division to cater for the majority of enquiries which are likely to be experienced in the locality.

5.0 GENERAL COMMERCIAL PROPERTY MARKET OVERVIEW

- 5.1 Since commercial property impacts on every business across the UK and, without most realising it, every household also, we have sought to summarise and contemplate the commercial property market at this current point.
- 5.2 Carter Jonas report that May has seen some welcome positive news on both output and inflation. GDP growth in Q1 is estimated at +0.6%, its highest rate since Q4 2021 (the tail end of the post-pandemic recovery period), marking the end of a short and shallow technical recession in Q3 and Q4 2023.
- 5.3 The good news continued with CPI inflation, which fell to 2.3%, down from 3.2% the month before, its lowest rate since July 2021, and within touching distance of the Bank of England's 2% target. The latest Treasury-compiled consensus forecast (May) suggests that CPI inflation should be 2.2% by Q4 this year, and the rate may well drop below target in the coming months.
- 5.4 The Bank of England moved further towards cutting the base rate, with two of the nine Monetary Policy Committee members voting to cut at its May meeting, up from one in March. A 25-basis point cut is possible at the next meeting in June, although the MPC might wish to delay until August when it will be guided by the Bank's next Monetary Policy Report, and to allow for a further fall in core and services inflation, which are both some way above headline CPI.
- 5.5 High inflation, fluctuations in GDP growth, and geopolitics have been the focus of attention over the last year. Domestic politics now returns to centre stage with

the announcement of the general election on 4 July. Businesses and investors will welcome the greater post-election political certainty.

Below we discuss the commercial property market in terms of the Retail, Office and Industrial markets.

6.0 RETAIL

- 6.1 The retail sector has continued to be challenging in 2023 and the first half of 2024. Whilst we cannot ignore the state of the economy, the ramifications of higher interest rates, operating costs and the cost-of-living crisis have not permeated to all business transactions. A number of Deals Done are based on needs-driven enterprises (fuel, food, beverages, etc), whose trading fundamentals remain robust.
- 6.2 Retail has not been immune to the wider economic headwinds: cost saving initiatives have been underway for many occupiers with the store at heart of this exercise. There has been modest expansion for well positioned occupiers in the best locations, and ultimately the volume of business casualties has been far less than during the pandemic, partly following the recent rates revaluation and the abolition of downwards transitional relief.
- 6.3 Discretionary products such as household goods and clothing are currently the most challenged, and as such consumers prioritise their spending. Aside from discretionary products when considering where to save money, CBRE's Global-Live-Work-Shop Survey found that UK consumers will first cut back on dining out and leisure activities. As consumers go out less, at-home entertainment products are expected to perform well in the year ahead with many seeking to make memories and socialise, but in a more cost-effective way.
- 6.4 Even the most optimistic cannot deny that the average traditional High Street has taken an enormous battering, and at the very least there will be a realignment of prime rentals, and the bigger future picture is likely to need strong planning and regeneration leadership, both regionally and nationally. However, in our key regional towns such as Harlow, Bishop's Stortford and Chelmsford, the positive signs are that the adjustment of rents and values is encouraging the possible return of independent retailers and, to that end, the secondary shop market still remains relatively buoyant.
- 6.5 Neighbourhood retail areas with affluent local catchments are faring much better. Vacancy rates in these areas are often low and rents have largely avoided the significant decreases seen in the high street. As a result, demand for these assets from private investors and owner-occupiers remains relatively buoyant, albeit focused on smaller lot sizes.
- 6.6 Convenience stores and small format supermarket investments remain popular, especially when underpinned by national food retailer covenants. However, even for these relatively low-risk investments, prices have softened in the last six months. Food price inflation was beginning to influence shoppers to become more price

sensitive and scale down their basket sizes and this continued in the first half of 2024, as expected. Notwithstanding these headwinds, the convenience retail market remained buoyant in H1, with values consistently exceeding expectations for all types of assets as buyers continue to outweigh stock levels. There is a buyer for every type of convenience retail business, from a traditional newsagent with potential to expand, to a symbol branded convenience store. No matter the location, the appetite to acquire is high.

- 6.7 On the leisure side, macroeconomic pressures and a reduction in consumer spending continued to challenge the UK leisure sector during 2023, with the latest ONS figures suggesting around two-thirds (64%) of adults in Great Britain are spending less on non-essentials in response to increased living costs. However, many businesses with an experiential, outdoor or staycation-led focus continue to fare better than others.
- 6.8 The UK pub sector, although substantially decreasing, historically currently stands firm and this resilience is driven by the sector's solid headline performance, which somewhat interestingly goes against the theory of cutting back on non-essentials, which would in turn suggest the public house is viewed as essential by a large proportion of the population. The restaurant market on the other hand, remains tough, particularly leasehold opportunities, with high street and leisure parks worst hit.
- 6.9 The health & fitness sector has displayed a similar level of robustness in its recovery as was experienced in the aftermath of the credit crunch. Whilst, according to Christie & Co, the number of clubs is down 0.9% on 2023, membership numbers have grown by 3.9%, with 15.1% of the UK's population now members of health clubs. With its positive impact on health and wellbeing, not least people's mental health, it is unsurprising that health club membership is now widely recognised by consumers as a high-priority spend and not a luxury. Therefore, to some extent we are bucking any negative trends in the mainstream property market and are happy to report that retail and leisure buyers remain active and demand for correctly priced opportunities is strong.
- 6.9(i) With regard to a gym/health club use, this would be a popular and useful alternative use proposal for the site as it promotes health and wellbeing in the area.

Gymnasium providers' usual standard requirements are:

Areas:	Town centre, edge of centre and out of centre locations considered
Visibility:	To vehicle, pedestrian and public transport traffic preferred
Size:	4,000 sq ft to 10,000 sq ft (split levels considered)
Tenure:	Leasehold, long-leasehold and freehold
Use:	E Class (formerly D2 use)
Timing:	Immediate opportunities and pre-let development deals considered
Accommodation:	Ground or first preferred - basement levels considered

You would expect this use to be built to shell and core level specification.

- 6.10 There is a case to be put forward that pockets of open spaces within the proposed development could in turn be used for outdoor/recreational purposes. Open spaces contribute to the health and wellbeing of residents as well as providing a setting for the buildings.
- 6.11 With regard to pubs, bars and restaurants these are classified as service uses: due to the location and nature of the site, a pub could be situated close to the frontage of the scheme. These types of premises normally require some form of outside area/seating.

Pub Co operators usually have the following requirements but do vary depending on the operator:

- o Freehold or Leasehold sites
- o Town centre, suburban areas or destination 'A road' sites
- o Minimum 2,500 sq ft of ground floor trading (or space to extend) with 4,000 sq ft of overall site space and outdoor seating.

Pub Co's usually purchase sites as a cash purchase and do the build/process themselves.

- 6.12 The creation of the Class E Use Class Order in September 2020 is helping town centres to adjust to the rapid change in market conditions. Most retail premises can now be converted to a variety of other uses such as healthcare, indoor leisure or childcare without requiring planning consent (although other forms of consent may still be required). This has been a huge help for the property industry and occupiers and investors alike.
- 6.13 Going forward we expect to see more lettings to occupiers in sectors including healthcare (for example dentists and chiropractors), and some professional services such as solicitors.
- 6.14 The convenience sector, which covers food stores/supermarkets but can also cover other uses where visiting in person is necessary or beneficial e.g. coffee shops/ cafes, hair and beauty, shoe/clothing repair, petrol stations, drive-thru outlets, has not been impacted to the same extent. An increasing number of people are buying products online, but the majority still visit these outlets to make their choices.
- 6.14(i) The distinction between traditional town centre comparison retailing and convenience is important when assessing the potential for new development because in the vast majority of locations there will not be demand from the comparison retailers for new space. However, developments which are focused around significant new housing growth areas will likely generate demand from convenience-oriented retailers.

6.14(ii) We are aware that Lidl have a current requirement for Buntingford in particular indicating a good amount of convenience retail spending. Lidl are big on expansion, with ambitious plans to achieve over 1,100 stores across Great Britain. This means they are looking to acquire sites that meet their standard store format requirements as follows;

- Prominent locations with easy access and strong pedestrian or traffic flow.
- Freehold, leasehold or long leasehold opportunities.
- Unit sizes between 18,000 and 26,500 sq ft and 100+ dedicated car parking spaces. 1.5+ acres for standalone stores or up to 4 acres for mixed-use schemes.
- Town centre or edge of centre and retail parks.

6.15 Developments such as that proposed at Buntingford West in outline will need new Local Centres comprising a relatively modest amount of floorspace and occupier types will likely include:

- Healthcare uses including pharmacy, dentist
- Home working hubs
- Flexible workspace for individuals and start ups
- Uses that can sit alongside community uses, including community centre and GP practice
- Food store anchor/ Convenience retailer – Mid-size stores or those as an ‘Express’ offering
- Café
- Hairdresser
- Chemist
- Day Nursery
- Pub/Restaurant
- Gym
- Hot food takeaway
- Vets
- Dry cleaners

One would expect the smaller retail units to be around 800 - 1,000 sq ft (80-100 sq m).

6.16 A Nisa Local or Nisa Loco formats are, for example, for medium-sized convenience stores up to 3,000 sq ft, usually on a franchise scenario basis. In May 2018 the Co-op completed its acquisition of Nisa Retail Limited, which is therefore now owned by the Co-op who are a big convenience player in the market. Alternatively, there are the likes of Sainsbury’s Local, Tesco Express, Little Waitrose, Morrisons - My Local and Asda, etc, who generally require a minimum of 3,000 sq ft of retail convenience space to make a scheme viable on their small format concept store basis.

6.17 We are aware that large retail development would detract from Buntingford town centre retail offering, therefore a smaller retail convenience offering or even a mid-sized retail offering, we feel, is suitable and justified.

6.18 Facilities such as public houses, post offices, local shops and other community facilities can perform a vital function in terms of economic and social welfare and help ensure the continued vitality of these communities.

7.0 OFFICE

7.1 Office-based employment has fallen and this has constrained leasing activity across the UK. The slowdown in leasing activity has been most notably felt in the second-hand office market, especially if the space is poorly located or of poor quality. Take-up of office space has been lower in 2023/2024, although prime space in prime locations is still sought after even if demand overall has fallen.

7.2 At the current time, it is obvious to say that there is little activity in the local office sector; there is an overhang of supply, not only of prime office space but also secondary more affordable office space. There is the possibility that if less (or no) London presence is required by some companies and they can operate at lower densities (with less public transport use) regionally, we may begin to see an uptick in office demand in the key towns around the M25 such as Brentwood, Watford and also Cambridge. It is clear, however, that only the best office space will be in demand or viable, with bigger companies likely to seek only opportunities that are modern, conform with ESG and sustainable credentials and with modern unrestricted floor plates which allow for more generous employee spacing than perhaps was the norm pre-Covid.

7.3 With continued strength and higher values in the residential market, we would anticipate that unsuitable or aging office stock will continue heading towards the PDR (permitted development) route of which there are numerous examples within the locality.

7.4 There also appears to be a trend where staff are housed in a company's manufacturing or warehousing facility rather than a separate office specific building as the design of E (B1) – B8 units are becoming more modern thus reducing the need for dedicated 100% office space in the traditional sense.

7.5 Many businesses continue to assess their real estate footprint in order to minimise exposure to real estate costs in the face of the current risks, increasing costs and uncertainty over how much space will be required going forward. We are aware that fewer occupiers are proceeding with their office relocation plans. Tenants with lease expiries may decide to defer office moves and seek short-term lease extensions until economic conditions become more certain.

7.6 The flexible space market (or serviced office sector) is currently benefitting from demand from tenants with imminent lease expiries and break options seeking to downsize and requiring 'stopgap' accommodation until the business climate

- becomes more certain, a trend that may be reinforced in light of what is going on with the current economic situation. Flexibility appears to still be key for office occupiers.
- 7.7 Speculative development (i.e. without grant funding or similar) has essentially been considered unviable in the last 10-15 years. In the locality where market rents are substantially lower than the average for the region, significant new speculative office product, as far as we are aware, has only been delivered at Nexus by Wrenbridge in conjunction with Harlow Science Park. We note via Knight Frank that this is understood to use land donated at zero cost by the JV partner, the Local Authority, to encourage the delivery of office product, in the general absence of pre-let or forward committed activity in what is a secondary commercial location. This is not uncommon as we frequently produce appraisals for traditional office development at negative site values. As such many new build office properties are owner occupied with the occupier having a need for space and accepting that they are prepared to pay whatever it costs to own their own building or HQ office rather than renting.
- 7.8 The subject scheme could include an allocation which offers residents wi-fi enabled working lounge/break-out space within the development to cater for resident home working. Whilst they are not offering it on a commercial scale it would be worth promoting something along these lines for residents to promote the community aspect and provide an area which residents can utilise rather than working from their homes.
- 7.9 Back in 2019, Avison Young produced a report called Avoid a Void which looked at how landlords were responding to the boom in the flexible workspace market. Back then they were seeing an expanding WeWork and several rapidly growing offerings. The conclusion was that traditional landlords were looking for new ways to market their properties to challenge these flexible occupier solutions, but in a well-balanced market landlords were very cost-conscious with regard to the capital expenditure required to reap the benefits of speed of letting and a minimal return on investment. This meant that ‘plug and play’ space was limited to the smaller end of the market, and in those locations – primarily in central London - where the rental premium would justify the outlay.
- 7.9(i) Flexible workplaces – a catch-all term encompassing anything from serviced offices to fitted ‘plug and play’ space – make up a significant part of the office landscape, with 12% of UK office workers using flexible workplaces at least some of the time since the pandemic.
- 7.9(ii) Nationally and globally, the provision of flexible space remains weighted towards private offices (50%), with co-working desks (34%) and communal areas (13%) the next most popular uses.
- 7.9(iii) From the landlord’s perspective, in a market with relatively plentiful supply, ‘plug and play’ provision is driving viewings and attracting more tenants, with some offices being let quickly after work, when the Cat A finish has been stale on the

- market. This is driving down void rates and increasing the potential for occupier retention in the medium term.
- 7.10 In recent years, the sectors choosing flex space have evolved. Tech has traditionally been the most active, but insurance and financial, business and consumer, and professional services collectively accounted for almost half of desks this year.
- 7.11 This sectorial shift has also impacted the average size of occupier requirements. From 11 desks pre-pandemic, the average size per transaction is now 17 desks. Likewise, the number of companies taking licences of one year or more is 44% higher than before the pandemic.
- 7.12 'Hybrid working' will be a dominant catch phrase for a while yet as a slow evolution of the way occupiers seek to use their office space unfolds. Flexibility remains the key element to the outlook.
- 7.13 Buntingford is a small market town and as such wouldn't attract numerous numbers of or large office occupiers, even the larger towns of Hertford and Bishop's Stortford are struggling. It could be argued that very small scale office space as mentioned above, could work to some extent for the subject development, although the majority of the Employment allocation to be safeguarded should be more focused on Industrial related uses as discussed further in this report.

8.0 INDUSTRIAL

- 8.1 The South East industrial development pipeline in particular is under increased pressure from a growing population and the loss of allocated industrial land over the increasing need for housing.
- 8.2 Land remains at a premium across the South East, most notably across London, which has lost over 2,000 acres of land in the last nine years due to the Mayoral requirement for over 66k new homes per annum. This is forcing occupiers to focus on the southern Home Counties in order to secure warehouse space.
- 8.3 These market dynamics have led to a sustained period of rental growth at rates well ahead of inflation. However, this risks pricing many small and medium occupiers out of the market, depriving London of their services and forcing them to cheaper locations outside or closer to the M25.
- 8.4 The increasing cost of warehousing space in the capital is also becoming an issue for some occupiers, who are now actively choosing to move outside of the M25. This puts further pressure on the Home Counties markets where further supply is necessary over and above the already restricted supply of schemes.
- 8.5 There are other disrupting factors that are putting pressure on industrial occupiers in the South East such as labour supply and infrastructure challenges, due to the huge pressure being placed on both roads and utilities by an increasing population.

- 8.6 As a result, there is currently very limited availability in the South East across all size ranges with numbers of existing warehouse and industrial buildings continuing to diminish. In stark contrast occupier demand has remained consistently strong with the majority of requirements remaining unsatisfied.
- 8.7 The UK void is considered to be sub-7%, with the South East region circa 5% and the East region circa 6.8%.
- 8.8 Speculative scheme starts have undeniably slowed, but the effect of that more measured approach has ensured that void rates have stayed relatively stable.
- 8.9 Demand from manufacturing related occupiers continued to rise as companies sought to de-risk their supply chains.
- 8.10 The forecasts suggest that the online retail growth will continue significantly and thus there will be commensurate demand for warehouse space.
- 8.11 BPF (British Property Federation) Research suggests, based on UK population data in 2023, that each new household requires 69 sq ft of warehouse space which correlates to an additional 225 million sq ft of space being theoretically required over the next decade.

9.0 BUNTINGFORD MARKET & AVAILABILITY

- 9.1 In terms of employment overall, Buntingford sits in an area of the market which tends to be defined by development taking place on the periphery.
- 9.2 There is significant larger scale employment demand in both the A1 and M11 corridors, whereas to the north, beyond Royston, the 'Cambridge effect' has seen development such as the Melbourn Science Park, which largely looks to the demand created by the International Bio-medical Centre and Science Park Clusters at Cambridge.
- 9.3 The A1 corridor, with its focus on mixed employment, offers a range of opportunities within the telecommunications, pharmaceutical and financial services sectors.
- 9.4 The M11 corridor tends to be dominated by professional services activities and by the proximity to Stansted Airport, which in itself is the largest strategic employment site in the East of England.
- 9.5 By contrast, Buntingford finds itself in somewhat a unique position, with employment largely characterised by local companies servicing the immediate market and, to a lesser extent, the wider hinterland indicated above.
- 9.6 This section of the A10 is effectively single carriageway: further to the south, at the junction with the A120, dual carriageway service resumes and the larger commercial centres of Hertford/Ware, which benefit from a better access to the M25, tend to

- be focused in a southerly direction at the established markets around the M25 and on the northern outskirts of Greater London.
- 9.7 In our view Buntingford is essentially a local market, which can be directly evidenced by its previous struggles - not only in relation to the Sainsbury's site, but in relation to the Buntingford Business Park - to attract significant employers. However, with the new Bypass which now avoids the Little Hadham traffic lights this has significantly improved the accessibility to Buntingford particularly for larger vehicles and those associated with traditional 'Employment' uses.
- 9.8 On the market at present within a three-mile radius of Buntingford there are only five commercial properties available, four industrial units To Let and one retail premises for sale - according to Rightmove Commercial and Zoopla Commercial - which indicates that there is a severe shortage of stock across the board in the immediate vicinity. For Industrial premises these range from only 350 sq ft in a rural Great Hornead location to only two being available in Buntingford itself at 1,500 sq ft at GF on The Firs at Watermill Industrial Estate and 750 sq ft at Ermine Street.
- 10.0 **LOCAL CENTRE ELEMENT OF THE SCHEME**
- 10.1 Buntingford town centre has a good convenience and retail offering, but with new residential development comes further demand for increased retail and service offerings which a new Local Centre can satisfy and facilitate.
- 10.2 Coke Gearing have previously dealt specifically with various Local Centres across the UK in Bishop's Stortford, Ipswich, Sittingbourne (Kent), Westbury (Wiltshire) and Lowton (Wigan), to name a few, so we understand what works and what doesn't.
- 10.3 The right location with the optimum allocation of space is key to creating a sustainable commercial hub where occupiers thrive and which residents enjoy using. It is critical to understand how residents interact with the space: trips that we take for granted like the school run, a trip to the doctors or last-minute shopping are key.
- 10.4 Anchor food stores require certain levels of catchment to be commercially viable; knowledge of the store planning process of the occupiers is essential.
- 10.4(i) Visibility and prominence are also key in the store planning process but there are other mitigating factors that can be used to support certain sub-optimal locations.
- 10.4(ii) Each occupier has a nuanced operating model that needs to work from day one; deliveries, parking and opening times all need to be understood.
- 10.4(iii) A valued community hub is attractive, offers a diversity of uses and is easily accessible.

- 10.5 Mixed use development has, by definition, a number of conflicts in its use, e.g. residential on top of fast-food outlets and pubs too close to residential, etc.
- 10.5(i) A detailed knowledge of the servicing issues, the internal configuration and acoustic performance are all key to achieving this balance.
- 10.5(ii) It is widely accepted that shops, services and social amenity add value and attractiveness to a scheme and thus aid the residential sales.
- 10.6 Anecdotally, most on-site sales offices explain that there are frequently recurring questions: “Where will our children go to school?” or “Where is the shop?” or even “Is there a pub?” A strategic and demonstrable answer to these questions makes a location more attractive.
- 10.7 It is important to use a transaction structure that supports growth in the commercial centre; space that is too expensive or locations that do not have sufficient catchment will not attract the best occupiers with the most appropriate mix.
- 10.7(i) Controlling the cost of construction will maintain or generate land value; control over architecture, occupier specifications, provision of public realm and construction type all play a part in this.
- 10.8 Valuable land can be wasted where servicing and car parking requirements are too large or ill-conceived or where planning allocates an unviable use. Unused commercial space can usually be re-allocated to residential after a period of elapsed time.
- 10.9 A scheme needs to be well-diversified, well let and have a long-term return profile.

The key factors that support growth in this sector are:

- The housing shortage;
 - A growing population;
 - Sustainable policies that dictate that local amenity is required in new significant developments; and
 - Changes in shopping habits.
- 10.10 Changes in national shopping habits such as internet-based deliveries and more frequent top-up shopping fit the convenience shopping model; many food store operators see a clear synergy between the convenience store and internet channel.
- 10.10(i) A study by British Land shows that when a retailer opens a new physical store, traffic to its website from the surrounding postal area increases by 52% on average within six weeks of opening. The report also finds that once the online traffic picks up, it tends to remain at the new elevated level.

- 10.11 Savills Market Research has proven that an early focus on place making can enhance overall land values and returns on new residential developments. Early spending on infrastructure, local amenities and public spaces creates better places and creates increased demand for the development, improving sales rates and values on the surrounding residential properties.
- 10.12 It is clear that Local Centres/Neighbourhood Centres are helpful in promoting a thriving neighbourhood within a new and existing residential scheme. Providing retail, community and leisure facilities to the surrounding community is essential in achieving a diverse and healthy Local Centre which is at the heart of the community.
- 10.12(i) Local centres should be the focus for community activity, places where all people can go to easily access their employment, leisure, shopping and housing needs. For a centre to be genuinely the heart of a community it needs to accommodate as wide a range of activities as possible to cater for different needs, tastes and preferences. These activities need to vary in terms of type, size and mix in order to give people a real choice.
- 10.12(ii) Some of the clear advantages of a Local Centre and hub are:
- Unites a community
 - Provides volunteer opportunities
 - Support for community projects
 - Combating loneliness
 - Positively impacts the lives of younger people
 - Promotes healthy living
 - Encourages creativity and culture
 - Shares valuable information
 - Provides unique and much-needed facilities
- 10.13 Where traditional neighbourhood centres used to mean retail, there is a developing shift towards a mix of uses, including workspace, residential, healthcare and other community facilities. Businesses benefit from linked trips where people visit more than one activity as part of a single journey, e.g. an office worker may during their lunchtime visit the bank, a shop, the dry cleaners or get a haircut, and after work they may go to the gym or a restaurant before heading home. The more variety there is, the more attractive the centre is to visit and spend time there. Attracting people to stay and spend time in a Local Centre increases their potential spend. Diversity therefore benefits individual business viability and the wider economy. Diverse centres also provide entrepreneurial opportunities for new and smaller businesses to establish themselves as they offer a wide range of premises types, sizes and therefore rental costs which is often a key decision driver. Concentrating activities and offerings together helps ensure people do not have to travel far between activities and delivery journeys are shorter, which in turn helps to reduce climate change and CO2 emissions.

10.14 The financial impacts of the pandemic outbreak and the resulting changes in the way we live, work, shop and communicate will further influence the mix of uses going forward. Understanding what the demand is for different uses from the beginning and ensuring that the neighbourhood centre is relevant to the scale of the residential development is key to its success, so this will clearly influence the types of occupiers and demand for space within the Local Centre. It is evident from previous schemes we have been involved with that a good local centre can bring quicker house sales and improved values.

10.15 For town planning the main centre uses are those uses that are described as:

- shops
- financial and professional services
- restaurants and cafes
- drinking establishments
- hot food takeaways
- offices
- leisure, entertainment facilities, and the more intensive sport and recreation uses
- hotels
- residential institutions
- non-residential institutions
- assembly and leisure

10.15(i) Local centres (rather than district or town centres) are usually to include a range of small shops of a local nature, serving a small catchment. Typically, as mentioned previously, local centres might include, amongst other shops, a small supermarket, a newsagent, a sub-post office and a pharmacy. Other facilities could include a hot-food takeaway and laundrette.

10.16 As highlighted previously in this report, the changes announced by the UK Government in September 2020 to significantly amend the Use Class Order by replacing existing use classes A1 (shops), A2 (financial and professional services), A3 (restaurants and cafes) and B1 (business) with a new Class E (commercial, business and service), the effect of which has meant, subject to some exemptions, premises such as shops, restaurants, professional services, indoor sports centres, nurseries and offices will be able to change use within the new use class without having to obtain planning permission to do so. This is key for local centres where there is flexibility to allow for the uses that have proven demand and are most required in that particular location. Local centres, when designed and built with flexibility in mind, allow uses to change over time, responding not only to the demands of the local community which they serve but also the changing landscape of retail and technology. This will ensure the future sustainability of the Local centre.

10.16(i) Therefore, in order to keep options open, the site should have the potential for all of the following:

- Retail (Convenience)
- Retail (Other)
- Leisure – Food, beverage, health club/gymnasium and other related uses
- Healthcare including a possible GP Surgery
- Workspace hub
- Mobility hub
- Day Nursery
- Any other suitable community related uses

10.17 Recently we are aware that GP Surgeries tend to lean towards a ‘super-surgery’ concept of up to c.1,500 sq m.

10.17(i) There is local demand from a GP surgery who require a ‘super-surgery’ of up to 1,300 sq m; if taken forward this will prove to be invaluable to the local community where there is clear demand for a larger more effective surgery offering to satisfy the increasing population. We are aware that the GP practice have had discussions with Taylor Wimpey and there is a current planning application to the north east of Buntingford for a new GP surgery plus 200 homes. However, we understand that this is not supported by the NHS as the GP practice have not followed the protocols and not received an approved business case, etc.

10.17(ii) As above, the site could potentially accommodate a GP surgery and a possible pharmacy in the Local Centre if required and supported by the NHS ICB. This could be up to 1,300 sq m, albeit there is a real need for clarity from both the GP practice and NHS on requirements given the alternative options including extending the existing GP premises or an alternative location.

10.18 There may also be private sector healthcare requirements in relation to dentistry and physiotherapy/complementary therapies.

10.19 We know of a Veterinary Surgery requirement from CVS Group plc (£500m+ Revenue / AA- Equivalent Bond Rating) which is one of the largest integrated veterinary services providers in the UK, operating in excess of 500 surgeries. They require the following:

- Prominent roadside locations
- All property types considered
- 3,500 – 5,000 sq ft
- Minimum 15 on-site parking spaces
- Use Class E

10.20 Regarding a day nursery, we are aware that the County Council require the scheme to make available for sale or lease, built space for a childcare facility (for children aged from 0-4 years) within one of the Use Class E commercial units. This shall be 275 sq m gross floor internal area floorspace together with 50m² of suitable, enclosed outdoor play space (overall not less than 325m² of useable space) suitable

for occupation by a childcare operator. This will be actively marketed for six months and then passive marketing.

10.20(i) At the 2023 Spring Budget, the Chancellor announced that ‘free childcare’ for working parents in England will be expanded to cover all children aged from nine months up to school age by September 2025, as the Government looks to get more parents back to work. According to the Office for Budget Responsibility’s Economic and Fiscal Outlook – March 2023, this could allow 60,000 more parents of young children to enter the workforce.

10.20(ii) Data published by Ofsted shows there were 4,800 fewer childcare providers at the end of March compared with the same time the prior year, raising fears over how the expansion of the funded hours will be met.

10.20(iii) The below table shows the main players in the day nursery sector, albeit there are a lot of other more local/regional players in the marketplace currently.

LARGE PROVIDERS IN THE UK DAY NURSERY SECTOR	
GROUP	HOW MANY SETTINGS
Busy Bees Group	367
Bright Horizons Family Solutions	287
Kids Planet	162
Family First	102
Bright Stars	96
YMCA	83
Grandir UK	81
Monkey Puzzle	71
Just Childcare	62
Childbase Partnerships	44

Sources: Nursery Chains and Christie & Co data as of 30 June 2023

10.20(iv) The nursery market has seen significant growth in recent years, due to increases in the under-fives population and increased employment of mothers with early years children. This maturing of the market means investors and other financial institutions are increasingly seeking opportunities in the sector and follows the trends seen in other alternative property sectors. The characteristics of the sector are such that investors see opportunities in being able to purchase long term cash flows, generated by the nursery’s business, secured on good and often freehold properties. In addition, economies can be achieved through growing groups of nurseries, particularly in geographical clusters.

- 10.20(v) Appetite has remained strong for both freehold and leasehold opportunities, although we noticed that there was a shift in trend towards sellers choosing to retain their freehold properties and just selling the business in isolation, thus providing an annual income as well as a lump sum premium.
- 10.20(vi) Despite the raft of challenges in the day nursery sector, it is still a really appealing sector to be part of and to buy into, and operators and prospective operators can see that.
- 10.20(vii) With the living wage increasing, changes to business rates and the energy support for businesses stopping in April, the sector continues to face a raft of challenges – from workforce issues to the rising cost of living, etc, – and these are impacting everyone, right across the country.
- 10.20(viii) What we can say, however, is that this is not dampening demand for settings at the moment. We are seeing acquisition activity from a real range of operators for all sorts of day nursery businesses, from new market entrants to those owning single sites, to larger, multi-site operators. However, the challenge for new entrants and those less experienced operators, really, is sourcing funding. That is not to say that it cannot be obtained, of course, but there are more hurdles for these types of buyers, but that has long been the case.
- 10.20(ix) Recent research by the Family and Childcare Trust indicates that in England, particularly in the South East, there is a shortage of day nursery places/availability. This is partly due to the rise of households where both parents work, and there is clear evidence that demand for childcare continues to be strong. The average size of a setting/day nursery places is currently around 44 places for children.
- 10.20(x) As above, it was announced in the new Budget on 15 March 2023 that free childcare of 30 hours a week for working parents in England is being expanded to cover one and two-year-olds but will only be fully implemented by September 2025.
- 10.20(xi) In the Budget, Chancellor Jeremy Hunt announced the current system which provides 30 free hours of childcare per week to some families will be extended to cover all children aged nine months or above.

The expansion will apply to households in England where both parents work, and will be phased in:

April 2024: eligible two-year-olds will get 15 hours of free childcare per week

September 2024: qualifying children aged between nine months and two years get 15 hours

September 2025: eligible children aged between nine months and three years get 30 hours

In addition:

- The hourly rate paid to childcare providers who deliver free hours care will increase
- The 700,000 families on universal credit will get childcare support upfront, instead of having to claim it back
- The current £646-a-month per child cap which people on universal credit can claim for childcare will increase to £951 for one child, £1,630 for two
- A £600 incentive payment for people who sign up to be childminders (£1,200 for those who sign up through an agency)
- Each staff member in England will also be able to look after five two-year-olds instead of four, as is already the case in Scotland.

10.20(xii) When the reduction was first proposed, the government said it could save parents up to 15% - about £40 a week for a family paying £265 per week for 50 hours of nursery care.

10.20(xiii) Childcare across the UK can be very expensive - it depends on the age of the child, the number of hours and the type of care they receive.

The UK's relatively strict "carer-to-child" ratios mean the younger the child, the more expensive the childcare.

The average cost of full-time nursery (50 hours a week) for a child under two in Britain is nearly £15,000 a year, according to the charity Coram. The cost of a childminder for equivalent care is nearly £13,000.

10.20(xiv) There are a number of requirements specifically for day nurseries within the local area due to the demographics, continued increase in population, its location, convenience in relation to being close to amenities/public transportation/parking and so forth.

10.20(xv) There are a number of obstacles for Day Nurseries in relation to neighbourhood/resident disapproval and opposition due to the perception and concern of increased traffic and noise levels. The traffic and highways office, the fire department, and the landlord all have a say - this is before Ofsted grants approval.

10.20(xvi) Most day nursery operators' optimum requirements are for premises from around 3,500 sq ft. They require external play space of between 1,000 - 3,000 sq ft and they require car parking / drop off spaces whilst also generally seeking a registration of 50 places or more. They do, however, actively promote the fact that they will not only seek purpose-built or D&B nursery opportunities but will convert offices, residential, telephone exchanges, public houses, churches, medical centres,

existing D1 (now E Class) buildings and/or sit within Mixed Use and Residential schemes.

- 10.20(xvii)As above - with new development of residential comes further demand for day nurseries. We would envisage there being significant interest from nursery providers to be on the site as there are several requirements from national nursery providers and more local/smaller scale nursery providers.

Bright Horizons, for example, require:

Size: Building 3,500 - 9,000 sq ft - Site 0.3 - 0.5 of an acre
External Play: 1,000 - 3,000 sq ft (dependent on location)
Car Parking Drop off spaces (dependent on location)
Tenure: Leasehold/Freehold

- 10.21 Following on from Day Nurseries there are a variety of uses which can be promoted in line with community uses, C2 use - Older persons care is considered a community use and also a gymnasium/heath club/ a sports centre would be very supportive in terms of a community use with playing fields in addition to indoor space. Other community facilities include libraries, community meeting spaces and a range of local shops, health services (dentists, physiotherapists, pharmacies and outpatient services). A further alternative use which is often regarded as a 'community use' is a public house. Pub companies like to offer car parking and outside space, which is popular with families and children, offering both food and drink in a more attractive environment/setting.

- 10.21(i)As mentioned previously in this report, due to the size proposed of up to 500 sq m, the likely retail demand will come from an anchor convenience operator such as Tesco Express/Sainsbury Local/Co-Op/Nisa/Spar/Premier/One Stop stores and similar who have active requirements across the region, with an optimum required footprint of c.350 sq m with the balance potentially going to any one of café-former A3 use/hair/beauty/laundrette-dry cleaning service.

- 10.21(ii)We would suggest retail unit sizes from 80-100 sq m: there would be scope for a smaller convenience store such as a Nisa or a Premier store which require a minimum of 200 sq m and then an additional "local" retail/services offering of three units at, say, 100 sq m each which could offer any number of convenience retail options from pet supplies/grooming to bakery to beauty related. Retailers have a set of conditions that they need to fulfil in order for them to be interested in a site, for example access and opening times. Spaces should also be adaptable to multi-purposes such as click and collect, storage, food and parcel delivery.

- 10.21(iii)The key to the success of the Local Centre and its attractiveness to retail is its ability to draw people in, creating footfall throughout the day and maximising dwell time and spend. The focus, however, should not be entirely on retail. With more shopping being carried out online: gone are the days when a certain size of community would sustain a convenience store plus multiple other shop units. This is where placemaking is key. There need to be multiple reasons to be there – and

- there are very obvious benefits in linking the Local Centre with doctors surgery, day nurseries, dry cleaning/ironing collection and the like.
- 10.21(iv) It is difficult to quantify the likely expenditure to be generated by the development, albeit to encourage maximum expenditure the optimum store sizes would need to be in line with our advice within this report.
- 10.21(v) Splitting the Centre as proposed provides more prospects, options and more importantly flexibility as there are different offerings within the intended Local Centre which would suit various developers and market requirements.
- 10.21(vi) Where the Local Centre is to be located relates well to the proposed and existing residential communities and promotes the intention of achieving a sustainable community. The location adjacent to both the proposed Luyne Rise active travel corridor and existing PRoW gives it excellent pedestrian and cyclist access.
- 10.21(vii) The Local Centre and Employment Area will be designed in such a way that there will be some visibility from the A10 which occupiers will favour and these two proposed Local Centre areas will be central to the proposed and existing residential areas. The appeal will be further helped by the associated areas of public open space.
- 10.21(viii) Where the Local Centre is proposed to be located there will be ease of movement and will avoid isolating neighbourhoods whilst also tackling problems with any antisocial behaviour at night. We believe that retailers will deem the location as a real positive due to good visibility, community core location, delivery vehicle access and ease of access for foot and cycle trade.

11.0 EMPLOYMENT ELEMENT OF THE SCHEME

11.1 LOCAL MARKET DEMAND /TAKE-UP

- 11.1(ii) Locally very much echoes the regional commentary in the Industrial Market section above, an all-time low vacant employment floorspace availability in the market which will be summarised in detail in the following contents.
- 11.1(iii) The commercial market for employment space has continued to grow in the last two decades and has continued, albeit slightly abated, to the present time. The availability of Grade A accommodation for the occupier market continues to be a critical point, where there is very limited supply in the local area. The slow release of employment land by the Local Authorities (in some cases effectively zero release) has therefore not met the needs of supply required over recent years.
- 11.1(iv) Occupiers find themselves in a vulnerable position: with no option to relocate to larger premises many occupiers have taken additional space on estates on the other side of towns, secondary accommodation or unable to find accommodation altogether. This has left a rather disjointed approach to occupation and created inefficiencies. With a lack of supply the rental value of premises has seen an all-

time high of growth over the last five years and a sharp re-location from other areas, specifically north London to the local market which has placed even greater pressure on supply and led to inflationary pressures on rents.

- 11.1(v) We estimate locally there is an immediate requirement for some 2 million sq ft of employment space from “local/sub-regional” occupiers, with this figure increasing to 3 million + sq ft when taking into account wider regional and national requirements for this local area.

11.2 EMPLOYMENT DEMAND USE CLASSES

- 11.2(i) The vast majority of enquiries in the area do fall within E Class brackets g(ii) and (iii), R&D and Industrial Processes (Light Industrial), B2 (General Industrial) and B8 (Storage and Distribution).

- 11.2(ii) It is difficult to differentiate and allocate specific demand, for within these use classes a vast majority of occupiers actually blur these lines, and in reality a B8 (Storage and Distribution) occupier will have an element of assembly and a B2 (Manufacturing) user may have an element of R&D or showroom. All can be described as ‘industrial processes and creator of jobs’. It is important that any planning consent encompasses the entire Use Classes Order as stated above. Unfortunately, there are too many examples where planning policy has failed and been preventative to local businesses and has not set out what it is required to do. As a recent example, on Horizon 120 in the Braintree District, the B8 allocation of the Horizon 120 site was fully let and occupied within a 24-month period. Interestingly, although the site permitted B8, it also permitted B2 and over 50% of this area has been occupied by manufacturers rather than sole B8 occupiers.

- 11.2(iii) The Zone B within Horizon was restricted to prevent B8 covered by Class 2 of the Local Development Order that allowed uses E(g)(i) Office, E(g)(ii) Research & Development and E(g)(iii) Industrial Process. Whilst the intention of the Planning Authority was to encourage light industrial users, this did put off many local companies from relocating, which did have an element of B8 Storage and Distribution and also created difficulties with funders and another element of bureaucracy which is preventative to business growth. Although Zone B has seen a strong take-up there have been a number of examples which, in our view, have unnecessarily disadvantaged local businesses who were unable to relocate into Zone B. As a specific example, an aviation freight forwarding company still remains without a property, seeking some 30,000 sq ft in or around the Stansted Airport vicinity.

- 11.2(iv) Another example is the Seven Acres site in Stansted/Takeley, again within an E classification use E(g)(iii) Industrial Processes; however, this carries an hours of use restriction from between 7 am and 9 pm Monday to Sunday, including Bank Holidays. This is not the most restrictive hours of use we have come across; however, it is rather prohibitive being so close to the Airport, where occupiers often serve contracts at the Airport and thus have the need to work outside of these prescribed hours. It is also restrictive to B2 and B8 users, although the

scheme has been very well received, being some 95% sold with completion due this month (June 2024).

11.2(v) Locally there is a broad demand spanning all use classes within 'employment use'. Just to name a few of these types of users, we have general B8 open storage requirements, where we have a few live requirements: one national distribution requirement seeking some 4+ acres; in addition we have had previous discussions with bus operators seeking a depot and car auction sites as well as online car sales; some 30+ acres as well as smaller requirements such as utilities companies, contractors, vehicle storage and self-storage requirements.

11.2(vi) Being close to Stansted there are also a number of aviation requirements. It should be noted that available employment space in and around Stansted is currently 0%. This has forced occupiers to look further afield to towns such as Bishop's Stortford, Harlow and Braintree. Such recent users are aviation design engineering companies recently located to Bishop's Stortford; a service industry with contacts directly relating to aircraft maintenance work on ground equipment and also larger 3PL air freight and freight forwarding requirements currently live in excess of 100,000 sq ft combined.

11.2(vii) In addition to the above, there are plenty of light industrial users from whom we have live requirements, from an electronic wiring loom company, events design and project manufacturing company, an innovative R&D requirement specifically Bishop's Stortford-led in excess of 50,000 sq ft required; this is for the farming industry with innovative product design which is then manufactured in the UK and exported globally.

11.2(viii) We also have live 'B2' requirements, one plastics engineering firm seeking 20,000 sq ft; a pump and water management company seeking 15,000 sq ft and an electronics recycling firm currently seeking 200,000 sq ft. The above are just to name a few, but as an example to give you the breadth of the local occupier demand.

11.2(ix) In addition, there are B8 requirements in addition to those directly serving the Airport for air freight. There are live requirements from 3PL companies who would use Junction 8 of the M11 as a distribution hub to then serve wider London and South East markets. These can range from the 3PLs to direct dark supermarket store food products, direct fulfilment centres, Amazon being the largest example, again, just to name a few.

11.3 UNIT SPECIFICATIONS

11.3(i) In all of the below we would firstly advise, as mentioned earlier in this report, the unrestricted E Class brackets g(ii) and (iii), R&D and Industrial Processes (Light Industrial), B2 (General Industrial) and B8 (Storage and Distribution), together with unrestricted 24-hour access.

11.3(ii) We also encourage more emphasis on Environmental, Social and Governance (ESG) design. It has become ever more important for properties to boast ESG credentials. Although important globally to encourage sustainability, occupiers are demanding this for both the image of the company and sustainable practices, but also to ensure the longevity and future proofing of properties.

11.3(iii) For example, BREEAM Very Good and Excellent will both encompass sustainable construction techniques; carbon reduction as well as net zero construction, together with enhanced insulation “U” values and sustainable initiatives such as grey water capture; installation of PV panels and EV chargers for both cars and also now commercial vehicles. It is important to note that the utilities, ie electricity to serve the site, need to be not only suitable for today’s anticipated consumption but also future consumption of the units. With the government keen to phase out gas, this will naturally lead to an increase of power draw and consumption per occupier.

The general property minimum specification requirements for these type of proposed industrial units would be as follows:

- Braced, steel portal frame with a pitched roof
- Profiled composite steel insulated cladding
- 6.0 m minimum eaves height
- Power floated and reinforced concrete painted floor
- 4 m x 5.75 m powered sectional shutter (full height)
- III phase power
- Fire alarm
- LED lighting and emergency lighting
- 10% office content
- Hot and cold water services
- Male/female WCs
- Mechanical ventilation to WC
- Generous concrete yard area; ratio of 60% building, 40% yard as a minimum for loading and parking
- Additional communal parking

12.0 SUPPLY

12.1 EXISTING SUPPLY AND AVAILABILITY

- 12.1(i) The commercial market for employment space has seen continued high growth from broadly 2014 and continues to the present day; the availability of stock to the occupier market is now at a critical point whereby there is very limited supply of stock in the local area. This inevitably leads to economic growth issues and restrictions. The slow release of employment land has not met the needs of the supply required over recent years and has now reached a critical point.
- 12.1(ii) We conducted a study and marketing exercise of Industrial supply/availability recently within 10 miles of Stansted, the findings of which were very useful to understand the true shortage/lack of of employment options available in that wider location and that similar can be applied to Buntingford in terms of reflecting the tight supply. NB: Buntingford specifically will be discussed separately further in this report.
- 12.1(iii) The Study we conducted evidenced that there is clearly restricted availability in the wider locality with employment space being **97.58%** occupied leaving only **2.42%** of availability. This coincides with the daily feedback our commercial agency department receives from occupiers who are concerned that they have no option for growth and relocation within the area.
- 12.1(iv) The above research focusses on traditional industrial estates and business parks. There is, however, a supply of rurally located or individual detached units within the search area; the total employment space outside of estates is unable to be quantified as the total supply figures are not available.
- 12.1(v) Broadly speaking, however, these less established locations would generally make up another 5% of the traditional areas.
- 12.1(vi) Although the data is not readily available from portal sites, the availability is also very sparse with availability likely to mirror that of the traditional locations at an estimated 2.5% availability.
- 12.1(vii) In terms of Employment there is a healthy local demand for modern B1(c) now known as E(g)iii and B8 mixed use buildings where the location we feel would support c.4,400 sq m on site.
- 12.1(viii) Hybrid style research and development units should be within a 150 - 250 sq m size range per unit.
- 12.1(ix) For standard Industrial E(g)iii and B8, unit sizes should be in the 300 sq m - 1,000 sq m range as this is the ideal size range demonstrated by current demand and existing enquiries.

- 12.1(x) The total allocation for these is up to 4,400 sq m which we believe will satisfy a significant amount of current local demand and requirements.
- 12.1(xi) We believe there will be developer and owner occupier interest in this site, either as a bare land sale or as a sale/letting to occupiers following development.
- 12.1(xii) There are several alternative ‘employment generating uses’ and there are a range of potential other E class occupiers such as veterinary surgery/day nursery/quasi medical requirements in the marketplace. Likewise, extending the Local Centre and incorporating a pub/eatery element and a day nursery would also prove successful as there is demand and a number of requirements for such uses.
- 12.1(xiii) We note that the local market is well catered for in terms of elderly care, albeit a care home would be a good addition to the scheme in terms of commercial viability. It is a good generator of employment and is a real positive in viability terms.
- 12.1(xiv) The local market is very short of industrial stock – as can be demonstrated by the Watermill Industrial Estate extension which, as a site, is very poor in terms of access and is congested with limited parking and poor visibility. This new scheme there has worked so the indications are strong for a similar scheme, albeit with larger individual units which should be more viable. Build costs - particularly for small unit schemes - have been under significant upward pressure in the last 12 months and although sales values have also risen quite sharply there is a squeeze on land values for very small unit schemes.
- 12.1(xvi) The number of jobs likely to be created as a result of 4,400 sq m of employment space is difficult to determine as it depends what the building is used for and whether it be storage or trade counter/workshop; needless to say it will be a decent number of jobs created. Ratios are generally expressed as the number of square metres per employee. Lower numbers imply a higher density of employment. The Employment Density Guide 3rd Edition (November 2015) states that the national average for B1(c) units is based on the Area per Full Time Equivalent employee (FTE) and it states that it would be 47 sq m per FTE. B2 General Industrial is 36 sq m per FTE and B8 has a range depending on type of B8 Use of 70 – 95 sq m. The higher the capital intensity of the business, the lower the employment density. Technological developments and restructuring in most industrial sectors are setting a trend for an increase in floorspace per head so that average density is likely to become lower over time.
- 12.1(xvii) With job creation comes fewer people commuting from the town for work. Since the closure of the Sainsbury’s Distribution Depot in 2004, which was the town’s only large employer, the commuting ratio increased as there were simply not enough jobs for those living locally. What the proposed scheme offers is job creation as a result of household expenditure from the proposed development, fewer residents commuting out of the town for work and more local expenditure thus enhancing the local economy of the town.

12.1(xvii) Having an allocation of this size with a range of different unit sizes available would seek to provide units which could be occupied by local SMEs and in turn encourages new businesses into Buntingford and would assist in providing local employment opportunities. This also assists in satisfying the findings and requirements/actions of East Herts Economic Development Vision and Action Plan where it highlights that micro-businesses and small to medium enterprises (SMEs) account for the majority of businesses in East Herts. EHDC therefore recognise the importance of maintaining an environment in which existing SMEs and new businesses can thrive, which is what this site can provide.

13.0 COMPETING SITES

There are four key local sites offering employment opportunities within the Buntingford area, and these are summarised as follows:

13.1 Buntingford Business Park

Buntingford Business Park is a modern estate developed in the last seventeen years or so, essentially comprising two distinct self-contained buildings. The 2018 District Plan includes an additional employment allocation BUNT3 as further 2 hectares of employment land at Buntingford Business Park. In the past five years since adoption, there have been no planning proposals for the further undeveloped land and we are not sure why this is the case.

We were involved in the letting of the first of these units to East Hertfordshire District Council acting on behalf of the freeholder.

Clearly, Buntingford Business Park provides an opportunity to attract larger employers to the town in the future, should demand arise.

13.2 Park Farm Industrial Estate

The Park Farm Industrial Estate is an established estate of a variety of different aged buildings, largely in terraces, comprising 45 individual units.

These units are typically terraced, with single roller shutter door and minimal office content, arranged around communal service yards with relatively limited car parking.

This estate is of a mixed tenure with some units being available on occupational leases and others on a long leasehold basis.

The estate appears to be fully let/occupied and the low vacancy rate testifies to the level of local demand for small – medium sized units.

13.3 Watermill Industrial Estate

This estate is, again, an estate of mixed vintage with a number of units of varying sizes. Its access is off the country lane which connects Buntingford to Aspenden, and although it is adjacent to the A10 it has no direct access thereto.

The estate is generally of very poor quality with most of the estate's roads being single track, concrete roads with limited car parking and loading facilities.

The buildings are of a range of ages and materials but are largely secondary with limited eaves height and obvious maintenance issues commonly found with older industrial buildings.

It is interesting to note that there is only one vacant unit on the estate at the present time. The new units will be discussed further later in this report.

13.4 Silk Mead Industrial Estate

The Silk Mead Industrial Estate is located on the B1368 to the north east of Buntingford at Hare Street.

This estate comprises a collection of former farm buildings, mostly single-storey, of traditional brick construction under corrugated sheet roofing.

The estate is largely occupied by a furniture retail and kitchen design supplier.

These units are dated and will not provide accommodation suitable for the needs of modern business users. The access is via a farm track through the farmyard, and as such the estate will not provide genuine competition for modern B1/B8 units.

There appear to be a total of eight units, two of which appear to be occupied by the same company.

Silk Mead Industrial Estate did have a planning application in for the creation of commercial development in use classes E(g), B2 and B8 for up to 20,590 sq m but this was withdrawn in July 2022 for reasons we are not aware of; however, there were c.220 objections from local residents and alike.

14.0 ALTERNATIVE DEVELOPMENT SITES

14.1 Watermill Industrial Estate, Aspenden Road, Buntingford

This site forms part of the aforementioned Watermill Industrial Estate and comprises approximately 3.64 acres of land.

These are recent new build warehouses and office pods relating to these planning permissions:

3/17/1861/FUL – 2,380 sq m total floorspace B1 units (in 17 units)
 3/19/2605/FUL - 354 sq m total floorspace of B1 units (in 9 units).
 3/22/0651/REM – 104.7 sq m new build light industrial unit.

Watermill Industrial Estate appears to have been very successful with only one 139 sq m unit vacant out of total 2,839 sq m of employment floorspace.

The above is a clear indication that there is a severe shortage of stock. Notwithstanding the limitations and disadvantages of the Watermill Estate, there is still demand/take-up for such space despite being poorly located in terms of access, and being on low lying land with potential flood risk, in addition to the immediate estate and the estate roads being of poor quality. The subject site offers a considerably better prospect in terms of development potential.

14.2 **Park Farm Industrial Estate**

This site, adjacent to the above industrial estate, has now received consent for a residential scheme in part and will therefore not be coming forward as a commercial development opportunity.

The above clearly demonstrates that there is a real gap in the local market for units ranging from 500 – 1,000 sq m.

14.3 **The petrol station at the northern A10 roundabout**

This has been redeveloped with a larger sales kiosk, pumps and jet wash. This has a larger sales building of 210 sq m (compared to the previous small kiosk of 69 sq m) which is offering a larger convenience retail option. The sales building has a retail area of about 1,140 sq ft and a GEA of 2,411 sq ft. The shop is specifically targeted to meet the needs of busy drivers, giving quality goods and offering a range of traditional impulse goods similar to the existing shop. Internal storage facilities have been greatly improved in comparison to what is existing. In terms of its use and turnover the shop remains ancillary to the forecourt use. As such this is their own retail offer and will not impact negatively upon that proposed within the proposed Local Centre scheme.

15.0 **CURRENT ACTIVE REQUIREMENTS**

15.1 We summarise below our current register of enquiries known to be active in the marketplace for the size allocation relative to the subject site; we have not included those requirements of 1,000 sq m +. These are, in the main, well-funded companies capable of taking medium to long term lease commitments or freehold acquisitions.

Requirements received for E(g)ii, E(g)iii and B8 accommodation in East Herts

	0 - 150 sq m	151 – 500 sq m	501 – 1,000 sq m
FH	11	14	12
LH	13	17	16

Total volume of enquiries registered in this size range = 83 requirements
Average requirement (approximate) = 400 sq m

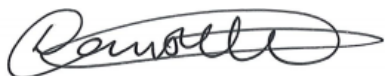
- 15.2 There is a clear differentiation between companies seeking to acquire quality accommodation, who do appear willing to enter into reasonable lease commitments and/or commit to purchasing freehold, and those seeking cheaper secondary space.
- 15.3 It is evident from the review above that the immediate supply situation in Buntingford is very limited and consequently we are of the view that a marketing campaign in relation to a new build scheme would attract significant interest.

16.0 CONCLUSION

- 16.1 In relation to the proposed Employment element to the scheme we conclude, from our investigations into this site and the current market, that the proposed development, if completed, would be commercially viable and would provide much needed additional stock serving a largely local market demand.
- 16.2 We feel that there will be sufficient demand to absorb this amount of use for floor space in the marketplace, as can be seen from the success at the Watermill Industrial Estate new builds, and that the timing of the proposal is appropriate as there are clear signs of unsatisfied demand. This demand is likely to come from new or expanding local businesses that can readily utilise the local labour market. We consider that the scale of development proposed is appropriate to the employment market in Buntingford and will address a particular need for higher quality premises. In short, the scheme would be ambitious but very much achievable and prosperous.
- 16.3 We are aware that the East Herts officer's report for the refusal of the outline application. Pages 13-16 refers to employment matters. This states:
- “The Council, however, has doubts as to the suitability of this element of the scheme, as set out in the design section below, and whether or not occupiers could be found for these units. As such, without a more definitive employment offer, the proposal would still be anticipated to contribute to out-commuting from the town by car which would not be an environmentally sustainable outcome.”**
- 16.4 We do not feel that this commentary is justified in light of our findings previously in 2022 and indeed in this updated report. There is a shortage of Employment/Industrial stock and there are occupiers out there whose requirements have not been satisfied as we have evidenced.
- 16.5 There is excess demand identified for between 2 million sq ft (local market) to 3 million sq ft (wider regional market), including national requirements.

- 16.6 We have determined that there is highly restricted supply from the study we carried out recently based on Stansted + 10 miles and Braintree, this revealed occupancy levels of 97.58%. The shortfall of current market supply is critically low and detrimental to business growth. The available space within the search area is representing only 2.42% availability of the total market. Previously published research estimated that a market ideally requires 7% availability for a healthy market balance.
- 16.7 Admittedly the majority of wider local demand is within the unit size range of 30,000 – 50,000 sq ft; however, there is also strong justification and demand for size ranges outside of this band from 1,000 – 20,000 sq ft multi-let schemes and also individual units of between 50,000 – 300,000 sq ft.
- 16.8 Our advice and view is that any development should try to incorporate planning for full E Class use, ideally B2 General Industrial (but we recognise this does not form part of this appeal proposed use), and B8 Storage and Distribution, with unrestricted 24-hour access to ensure any scheme is being wholly inclusive of market demands.
- 16.9 We cannot recommend or support a case for the development of offices on the site, other than very small scale, as mentioned, to support or supplement community use in the capacity of Workspace/ Mobility hubs, due to there being no or very little demand for offices in the locality.
- 16.10 In relation to the proposed Local Centre we conclude that the uses as suggested within would complement the wider scheme and the local community. Promoting a sustainable well planned Local Centre will be key to its success and this scheme could provide not only retail but also much needed day nursery, healthcare and community uses. The proposed sizes and uses suggested provide the right amount and mix so as to not detract from Buntingford town centre, but all in the while providing much needed convenience options for those who will be living within and near to the new development in addition to those passing by.

This report is prepared for the purpose stated and is confidential to whom it is addressed or to their professional advisers for the specific purpose to which it refers. No responsibility is accepted to any third parties, whether in respect of the whole or any part, and no reference thereto may be published in any document or circular or any communication with third parties without our prior written approval as to the form and context in which it will appear.



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