



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

MARKET REPORT

**PREPARED FOR
VISTRY HOMES LTD**

18 MAY 2022

INTRODUCTION

A planning application for this site was prepared in 2017 and later withdrawn. We understand that Vistry Homes Ltd are now looking to refresh the planning application and amend the proposed development.

Proposed Description of Development:

Hybrid planning application comprising:

- (i) a full planning application for the development of 350 residential dwellings (Use Class C3), a new highway junction from the A10 and other associated works including drainage, access roads, allotments, public open space and landscaping; and
- (ii) an outline planning application (with all matters reserved except access) for up to 4,400 sqm of floorspace (Use Class E and B8), a local centre with up to 500 sqm of retail floorspace (Use Classes E (a)(b)(c)) on land east of the A10, Buntingford, Hertfordshire, SG9 ('Buntingford West').

The proposal is that the Local Centre can serve the new and nearby existing community (which is somewhat remote from existing services) 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.

Coke Gearing have been instructed by Vistry Homes Ltd to provide 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 units.

Main brief

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.

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.

1.0 EXPERIENCE

- 1.1 Coke Gearing is an independent practice of commercial Chartered Surveyors with over 100 years' combined experience in the commercial property market in Hertfordshire and Essex.
- 1.2 Based in Bishop's Stortford, with a subsidiary office in Chelmsford, we specialise in all forms of commercial property, including development, occupational requirements, investment and associated professional and valuation work.
- 1.3 Our clients include a range of major property companies and developers, private individuals and occupiers from all walks of the corporate world.
- 1.4 We have on many occasions produced reports for various local authorities, including East Hertfordshire and Uttlesford District Councils, in relation to economic viability to support assessment of planning decisions.
- 1.5 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. More recently we are advising and acting for the likes of Cityheart on the Old River Lane Town Centre scheme in Bishop's Stortford, Solum on the Goods Yard site and Countryside on their Whittington Way site in Bishop's Stortford (South). We have also acted for Fairview in Buntingford, in addition to Taylor Wimpey on several sites, in particular Harlow (Gilden Way) and Bishop's Stortford (Bishop's Stortford North) along with several other developers within the Consortium.

2.0 LOCATION

- 2.1 "Buntingford West" is located on the western side of the town off Luynes Rise and is enclosed to the west and south by the A10 which also leads to Ermine Street, the principal access to Buntingford town centre from the south.
- 2.2 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.
- 2.3 Buntingford lies approximately equidistant between Cambridge and the M25 and sits astride the old Roman Road, currently following the route of the A10.

2.4 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.

2.5 There is no mainline railway service at Buntingford, the nearest station being Royston on the Cambridge/Kings Cross line.

3.0 DESCRIPTION

3.1 Within the scheme there will be 350 residential dwellings proposed.

3.2 The proposed scheme's commercial elements will be arranged across two areas, one for the Local Centre and one for the Employment, both adjacent to one another and in close proximity to the new access proposed from the A10.

3.3 The Local Centre is likely to include:

- Retail - E (a, b, c): up to 500 sq m
- Work Space Hub - E(g)i: up to 100 sq m (to support home working)
- GP Surgery - E(e): up to 1,300 sq m
- Mobility Hub - Wayfinding point, electric vehicle rapid charging point, community lockable storage.

3.4 The Employment element of the site, we understand, is proposed to total approximately 1ha of land. The outline planning application (with all matters reserved except access) is being applied for up to 4,400 sqm of floorspace (Use Class E and B8)

3.5 With regards to the apportionment of uses to make up the 4,400 sq m of Employment uses proposed they will likely be apportioned across the following and arranged as follows;

- E(g)ii Research and development of products or processes
- E(g)iii Industrial processes
- B8 for storage or as a distribution centre

3.6 The site appears to be level and is mainly free from constraints in relation to development; save for possible physical constraints such as odour. 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.

3.7 From the drawings provided to us, we are of the view that the 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.

3.8 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.

4.0 GENERAL COMMERCIAL PROPERTY MARKET OVERVIEW

4.1 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.

4.2 With 'Brexit' done, but its effects (positive or negative) clouded by the pandemic and lockdowns, the true impact will not be felt for some time.

4.3 The removal of the 'Plan B' Covid restrictions in late January is a step forward for business activity and real estate. However, a recent RICS survey found that issues like Ukraine, inflation and rising build costs are replacing Covid as the leading concerns for the market. So far, there is little evidence of these factors slowing property markets, but they are clearly risks and there may be a time lag operating whereby we see more of an impact later in the year.

4.4 House price growth in the UK has remained strong in recent months, despite the Bank of England raising interest rates. However, there are signs of a modest deceleration in the latest figures. The Nationwide House Price Index reported a 12.1% increase in April, down slightly from the 14.3% figure for March.

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

4.6 RETAIL

4.6(i) The retail sector will continue to be challenging in 2022. With inflation running at a 30-year high it was hardly surprising that retail sales fell for the third time in four months in March. Since the 54% rise in utility bills in April, UK households are facing a decline in real disposable incomes on a scale that has not been seen since the Second World War. From a Real Estate point of view, the challenge will be most significant in the retail sector, where retailers' costs are rising at a time when consumer spending growth will stall or fall.

4.6(ii) The retail sector has been in a relatively weak state and many big names have fallen by the wayside. Those with a good brand and an effective online channel have not necessarily prospered, but potentially survived, and this in turn will dictate how they really see retailing post pandemic. It seems likely that as we are returning to normality key regional shopping centres will see a return of most, if not all, of their customer base; however, this will arguably be linked more to people's leisure time, and the ultimate 'per head' retail spend will be the real concern.

- 4.6(iii) 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 Bishop's Stortford,
- 4.6(iv) Harlow 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.
- 4.6(v) The food and beverage sector have been performing relatively well, and many restaurants have been benefitting from fulfilling the burgeoning demand for home delivery.
- 4.6(vi) The creation of the Class E Use Class Order in September 2020 is helping town, district, local and neighbourhood 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).
- 4.6(vii) We expect to see more lettings to occupiers in sectors including healthcare (for example dentists and chiropractors), and some professional services such as solicitors.

4.7 OFFICE

- 4.7(i) In the office sector, there is as much professional discussion as dominates the retail sector. Demand for office floor space in the region remains patchy as businesses continue to wrestle with how best to structure their workplace in the post pandemic office environment.
- 4.7(ii) The principal (and as yet unanswered) question in our region is effectively what will become of the office market? Has the drive toward working from home, and the consequence of less travel, etc, made employees and companies re-think matters entirely, or are many businesses losing the collaborative approach found only by people working together? There is also a significant question which is whispered quietly, namely that of employee productivity.
- 4.7(iii) Working from home is perfectly fine if you are fortunate enough to have sufficient space in our house, no young children and a reasonable environment. But as we have seen during the lockdowns, for many people working from home it is tiresome, stressful and can potentially lead to some mental health issues. Therefore, many employees (and bosses) may decide that, given the opportunity, they would sooner work in a workplace, and live in a home space.
- 4.7(iv) At the current time, it is obvious to say that there is very little activity in the 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 with clear floor places which allow for more generous employee spacing than perhaps was the norm pre Covid.

- 4.7(v) With continued strength in the residential market, we would anticipate that unsuitable or aging office stock will continue inextricably heading towards the PDR route.
- 4.7(vi) Many businesses continue to assess their real estate footprint to reflect the new reality of increased remote working and to minimise exposure to real estate costs in the face of uncertainty over how much space will be required going forward. By the same token, fewer occupiers are proceeding with their office relocation plans.
- 4.7(vii) Office vacancy will rise further, especially in the second-hand market as schemes under construction complete, some businesses cease trading, flexible space operations reduce capacity, and more business choose to exercise break options or fail to renew at lease end. Tenants with lease expiries may decide to defer office moves and seek short-term lease extensions until economic conditions become more certain.
- 4.7(viii) 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.

4.8 INDUSTRIAL

- 4.8(i) Q1 2022 saw yet another record level of logistics leasing and the vacancy rate has fallen to its lowest ever level. The resilience of the industrial and logistics sector took even seasoned specialists slightly by surprise as we entered the first lockdown. Clearly the majority of warehouse occupancy uplift in 2020/2021 was internet supply based, having a direct negative impact on the retail sector as discussed above. The general belief is that some 'High Street' retail will never recover from the surge internet shopping now that people have become used to it, and there is a rational argument that says the pandemic pushed internet retailing forward by five or ten years in less than twelve months.
- 4.8(ii) Principally, the whole of the UK realised in 2020/2021 what many property professionals already knew: just about everything you buy has either been made in a factory or stored in a warehouse. The missing link in that is now that the physical shop, where you originally went to 'look' at the product, has in many cases been removed from that equation.
- 4.8(iii) The result is therefore the current boom time for industrial and logistics which coincided with a sector not over-supplied in any event. There are very limited numbers of vacant warehouse/industrial buildings in all size brackets, and this has led to an increase in new development proposals, but also the exponential rise in demand for industrial and logistics investments where they are seen as a safe haven for money, both private and fund. In this particular sector there are published UK analysis report headlines, openly proclaiming that the last two years saw the largest take-up of

warehousing space ever, and with prime investment yields in some cases at an all-time low of 2-3%.

- 4.8(iv) Industrial and logistics rents have undeniably continued to push upwards across the whole of our region and there is a definitive radial effect from London in terms of both building availability and occupation cost. The net result of all the above is that in some locations we are seeing commercial land being arguably more valuable per acre than for residential development, a scenario once considered unthinkable.
- 4.8(v) Industrial take-up has been buoyant in recent years as retailers and their third-party logistics partners adapt to growing online demand. The convergence of traditional supply chains continues to fuel demand for large distribution warehouses and smaller urban units for last mile delivery. The grocery sector has seen robust demand and has been adapting its supply chains, for example to cater for increased selling directly to consumers rather than to the hospitality sector.
- 4.8(vi) Although demand is being driven by online retailers, including retail chains switching form in store to online (and closing stores) and parcel carriers, there is a much broader spectrum of firms looking for space. This ranges from manufacturers and engineering firms to medical suppliers. There is also very strong demand for data centre space, driven by increasing data storage requirements associated with home working.
- 4.8(vii) Just-in-time manufacturing has reduced the need for storage and is reliant on these complex supply chains. However, global supply chains have become increasingly long and complex, and it is likely that companies will now re-examine these. The lack of resilience in the manufacturing sector is likely to add to the argument for “reshoring”, leading to increased demand for storage space in the UK.
- 4.8(viii) There remains a severe shortage of well-located sites for distribution use, and also urban sites suitable for last-mile delivery, waste recycling and open storage. Overall, it has been hugely challenging to satisfy occupier demand, creating strong upward pressure on values, although rental growth is now slowing.
- 4.8(ix) We are likely to see an increasing number of larger transactions, with deals over a million sq ft becoming more commonplace, this is putting greater pressure on site availability, with limited sites of sufficient size coming forward. Eaves heights are also increasing in line with a greater use of automation and robotics.
- 4.8(x) Ultimately the continued imbalance between supply and demand will keep the pressure on rents and capital values through 2022/2023.

5.0 BUNTINGFORD MARKET & AVAILABILITY

- 5.1 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.
- 5.2 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.
- 5.3 The A1 corridor, with its focus on mixed employment, offers a range of opportunities within the telecommunications, pharmaceutical and financial services sectors.
 - 5.4 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.
 - 5.5 By contrast, Buntingford finds itself in somewhat of a no man's land position, with employment largely characterised by local companies servicing the immediate market and, to a lesser extent, the wider hinterland indicated above.
 - 5.6 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.
 - 5.7 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.
 - 5.8 On the market at present within a three-mile radius of Buntingford there are only six properties To Let according to Rightmove Commercial, which indicates that there is a severe shortage of stock across the board in the immediate vicinity.
 - 5.9 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.

6.0 LOCAL CENTRE ELEMENT OF THE SCHEME

- 6.1 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.
- 6.2 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.

6.3 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

6.4 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 greenhouse gas emissions.

6.5 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. In terms of the scheme this is considered a relatively low-density scheme compared with others, having only 350 new homes proposed, so this will clearly influence the types of occupiers and demand for space within the Local Centre; this has been considered when determining what would be suitable within the Local Centre for this scheme. It is clear from previous schemes we have been involved with that a good local centre can bring quicker house sales and improved values.

6.6 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

6.7 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, 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.

6.8 The recent changes announced by the UK Government will 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 that will mean, 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 centre.

6.9 Therefore, in order to keep options open, the site will have the potential for all of the following:

- Retail (Convenience)
- Retail (Other)
- Healthcare
- Work space hub
- Mobility hub

6.10 In addition to the Local Centre, it is proposed to provide land for a surgery. 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.

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

- 6.12 Due to the size proposed of 500 sq m maximum, 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.
- 6.13 We would suggest retail unit sizes from 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 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.
- 6.14 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 needs to be multiple reasons to be there – and there are very obvious benefits in linking the Local Centre with doctors surgery, nurseries, dry cleaning collection and the like.
- 6.15 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 the above.
- 6.16 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. 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.
- 6.17 The Local Centre and Employment will be designed in such a way that there will be some visibility from the A10 and these two proposed Local Centre areas will not be considered too much of a detour. The appeal for drivers/passing trade will also be helped by some associated areas of public open space.
- 6.18 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 delivery vehicle access and ease of access for passing trade.

7.0 EMPLOYMENT ELEMENT OF THE SCHEME

- 7.1 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 and on the basis of a couple of terraces facing each other with the yard/loading and car parking in between the location we feel would support c.4,400 sq m on a site of 1ha.
- 7.2 Hybrid style research and development units should be within a 150 - 250 sq m size range per unit. There is an allocation within the proposal of 500 sq m total which we believe is sufficient to meet current demand.
- 7.3 For standard Industrial E(g)iii and B8, unit sizes should be in the 500 sqm -1,000 sq m range as this is the ideal size range demonstrated by current demand and existing enquiries.
- 7.4 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.
- 7.5 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.
- 7.6 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.
- 7.7 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.
- 7.8 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. If this can be made to work then 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.
- 7.9 The general property specific requirements for these proposed industrial units are 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

7.10 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.

7.11 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.

7.12 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.

8.0 COMPETING SITES

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

8.1(i) Buntingford Business Park

Buntingford Business Park is a modern estate developed in the last fifteen years or so, essentially comprising two distinct self-contained buildings together with an area of approximately 1.5 hectares of undeveloped land with the benefit of outline planning consent.

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.

8.1(ii) 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.

8.1(iii) 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 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 are no vacant units on the estate at the present time. There is, however, planning for several new units as will be discussed further later in this report.

8.1(iv) **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 does have a planning application in for the creation of commercial development in use classes E(g), B2 and B8 for up to 20,590 sqm.

9.0 **ALTERNATIVE DEVELOPMENT SITES**

9.1 **Watermill Industrial Estate, Aspenden Road, Buntingford**

This site forms part of the aforementioned Watermill Industrial Estate and comprises approximately 3.64 acres of undeveloped land with current planning consent for seventeen B1 units of 140 square metres (1,500 sq ft), a total of 2,380 square metres, with 68 associated parking spaces and access roads. One of these units has a change of use to a gym. There have been further permissions for 9 x B1 use with a total 354 sq m to the north of these seventeen units and another 1 x light industrial unit of 105 sq m next door.

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.

9.2 **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.

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

This is being 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 would be offering a larger convenience retail option. The sales building will have 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 will be 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 may well be their own retail offer and will not impact negatively upon that proposed within the proposed Local Centre scheme.

10.0 **CURRENT ACTIVE REQUIREMENTS**

10.1 We summarise below our current register of enquiries known to be active in the market place. 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	5	7	11
LH	5	9	16

Total volume of enquiries registered in this size range = 53 requirements

Average requirement (approximate) = 550 sq m

10.2 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.

10.3 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 built facility would attract significant interest.

11.0 CONCLUSION

- 11.1 In relation to the proposed Local Centre we conclude that the uses as proposed 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 provides not only retail but also much needed healthcare and community uses with the mobility and work space hubs. The allocation of sizes and uses as proposed is 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.
- 11.2 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. The scheme as proposed appears to be sensibly laid out and to offer accommodation of the quality and specification broadly sought after in the market place.
- 11.3 We feel that there will be sufficient demand to absorb this amount of use for floor space in the market place 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.
- 11.4 We do believe that there are significant benefits that can be achieved from the introduction of a mixed-use scheme on this site. The co-location of employment space, a surgery, retail and residential uses in a highly sustainable location with excellent access to public transport would reduce the need to travel and help to support local businesses, in line with the objectives for the Local Plan. Importantly there will be increased expenditure and jobs from the scheme during both construction and operational phases.
- 11.5 Vistry Homes Ltd would be providing new homes, including new affordable homes, in a sustainable location in Buntingford. This region will continue to perform well for residential developers with residents having a requirement for more space or to downsize and to accommodate those moving out of London looking for better value for money.
- 11.6 The proposed approach importantly provides the greatest likelihood of early delivery of this sustainable site. It allows the use of the site to address identified needs of the area and would provide the flexibility that is needed to ensure housing delivery in the district at the earliest opportunity.

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.

A handwritten signature in black ink, appearing to read 'Louise Campbell', with a long horizontal flourish extending to the right.

Louise Campbell MRICS

Director

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