

Our Ref MAC/CF/
Date 9th April 2019

Rachael Leather
PWA Planning
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Lockside Road
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Dear Rachael

LAND TO THE SOUTH OF BLACKBURN ROAD, LONGRIDGE

Further to our discussions in regards to the above site, I have reviewed the planning consent currently in existence and would comment as follows in general market terms.

The subject planning consent appears to be specific to industrial use across the B1, B2 and B8 use classes whereas the adjacent planning consent differs slightly being for employment floor space across use classes B1, B2 and B8 thus suggesting B1 offices (a) could also be included.

Whilst the 2 consents are separate, both physically and in terms of legal ownership, given the size of Longridge and my opinion of its capacity the 2 consents need to be considered with some cognisance of each other.

The major points as I see it are as follows:

- Capacity/Market demand
- Physical location/Suitability
- Viability

Capacity/Market demand

Whilst Longridge is a reasonable sized town its capacity for employment uses is more limited when compared to Preston or Blackburn both from a demand and accessibility perspective. We can see this from our own database of requirements coupled with market knowledge and experience. The majority of enquiries are from owner occupiers both on freehold and leasehold terms rather than developers/speculators (this ties in with Viability also). Whilst reasonable demand exists its is very doubtful that this is sufficient to deliver both sites and the cumulative floor space they are able to deliver.

Physical location/Suitability

The sites location for employment accommodation extending to a reasonable quantum in my view is unusual. Typically you would expect employment uses (disregarding smaller pockets of standalone businesses) to be located nearer to main arterial routes but more specifically new development should be located on the appropriate side of any town where motorway or main arterial routes are positioned rather than having the resulting traffic pass through residential areas to reach those more suitable locations and ultimately the main transport networks. Whilst smaller pockets of employment development are to be expected in more rural/semi rural locations, development of this scale is in my opinion inappropriate.

Furthermore the subject site has a frontage which significantly overlaps with the Tootle Green (new residential development) frontage whereas the adjacent land has frontage to Spade Mill reservoir which has elevated banks.

Taking the above into account, I would disregard occupiers/uses falling within class B2 due to their proximity to residential given that B2 use is generally associated with general industrial purposes not necessarily conducive with residential development/occupiers. Furthermore B8 would also not be suitable for logistical reasons.

This would therefore leave B1 use (light industrial, hi tec and research and development occupiers). This type of use in my view is suitable for the subject location and will receive some enquiries albeit unlikely sufficient to satisfy the extent of accommodation which is being proposed.

Viability

Viability is presently a major issue across a large part of the business space market with a large differential between cost and value. This is demonstrated by a lack of new development of any reasonable quantum of accommodation within the general Central Lancashire area. It is accepted that owner occupier demand isn't impacted to the same degree with businesses taking a view on cost versus value, however, when considering the subject site, where a range of occupiers will be required to deliver the scheme this will require a developer to bring the opportunity forward when considering infrastructure requirements. Given the site's location approximately 5 miles from the nearest motorway junction, market values are at the lower end of the new build range. Furthermore the development density is very low when compared to the acreage with infrastructure costs being broadly similar to that of a typical density scheme.

When considering the conversion of the house to the rear of the subject site from residential to office use this likewise is unviable. Simplistically the house has a market value in the region of £180/200 per ft² whilst offices at best will be in the region of £120 per ft² and this is before any costs incurred to convert the building, reduction of floor space to provide a net lettable floor area plus creation of a suitable car park.

Conclusion

In conclusion it is my opinion that in isolation the subject site as a business accommodation scheme isn't viable. Whilst owner occupier demand for smaller parcels of land or even a design a build unit may exist, to bring forward the opportunity as a whole rather than piecemeal will require a developer which will in the current market require the bulk of proposed accommodation to be pre sold or let on terms which aren't achievable both from a market and funding perspective. Its location is secondary which would restrict demand added to which its immediate surroundings support cleaner and less intrusive occupiers further limiting the captive market.

Yours sincerely



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