

Directors:

Caroline E. James BSc (Hons) MRICS
Peter Conroy BSc (Hons) MRICS IRRV
Michael J. Cavannagh BLE (Hons) MRICS
Jason B. Rawson BSc (Hons) MRICS
Ian C. Whiteside BSc (Hons) FRICS FCABE



BLACKBURN | 01254 681133

Capricorn House, Capricorn Park,
Blakewater Road, Blackburn BB1 5QR
blackburn@tdawson.co.uk

DRAFT

**MARKET DEMAND STATEMENT IN SUPPORT OF
THE INDUSTRIAL ELEMENT OF THE SCHEME**

**ON BEHALF OF MAPLE GROVE DEVELOPMENTS LIMITED
IN RESPECT OF LAND ON THE A59, WHALLEY**

1.0 **INTRODUCTION**

1.1 The statement supports the provision of 40,000 sq. ft. industrial B1, B2 and B8 uses within the mixed use scheme shortly to be the subject of a planning application following consultation with Ribble Valley Borough Council.

1.2 Following the consultation a Masterplan has been worked up to illustrate the potential uses within the site. The commercial element would be accessed directly off the A59 and include a PFS and drive-thru together with 40,000 sq. ft. of industrial floor space in the B2 and B8 Uses Classes, ie General Industrial and Storage and Distribution and B1 (a) and B1 (c) – R & D and Light Industrial processes.

1.3 Trevor Dawson have been established for thirty years and are the largest commercial agents in Lancashire with offices in Blackburn and Burnley. Three of their four Directors live in the Ribble Valley and they are particularly active in the industrial market, having been sole agents on Link 59, Clitheroe since the outset, and acting for a number of local companies and landowners. Equally relevant is their activity in adjoining boroughs on the major industrial estates along the M65 corridor.

1.4 Our report will cover the following:

- (i) A commentary on the industrial floor-space market (B1 (a), B1 (c), B2 and B8) within Ribble Valley, key location of floor space and the quality of the floor space.
- (ii) Trends in the industrial floor space market.
- (iii) Supply of new and secondary floor space in Ribble Valley.
- (iv) Market demand and trends in leasehold and freehold requirements.
- (v) Commentary on rents/yields in Ribble Valley.
- (vi) Justification for delivering 40,000 sq. ft. of new floor space.

2.0 **THE INDUSTRIAL MARKET IN THE RIBBLE VALLEY**

2.1 Clitheroe is at the heart of the borough's economy, where unemployment is well below the national average. It is also recognised that over half the working population commute out of the borough each day to work.

2.2 It is acknowledged that potential sites in the vicinity or along the A59 are particularly important, consistent with its status as the strategic highway. There are no major transport initiatives that would fundamentally affect the A59's status in the medium or long term.

2.3 The proximity to main roads and key transport links such as the motorway network are vital for customers, employers and suppliers, particularly in the B2 and B8 use classes, but also B1 based businesses. The A59 links directly to

the M6 and M65.

- 2.4 Over the last twenty years the growing population of the Ribble Valley has led to industrial development around its key centres of Clitheroe, Whalley and Longridge. This, however, has taken place within existing established estates such as Salthill in Clitheroe, rather than on greenfield sites which were hitherto allocated for employment use, but are now housing sites.
- 2.5 The exception to this is Link 59, Clitheroe where development was commenced in 2006 and has been built out entirely for industrial use in a range of sizes. This scheme not only satisfied local demand but attracted occupiers from adjoining boroughs.
- 2.6 The other major employment site at Barrow has been developed for predominantly residential and roadside uses with a small infill element of B1 only. The final potential large site at Barrow has land ownership issues likely to frustrate its procurement.
- 2.7 With the exception of BAe at Samlesbury there are no sites of any significance capable of being developed in the next three to five years in the three key centres, with the exception of the Higher College Farm site in Longridge if land ownerships are resolved.
- 2.8 The larger employers within the area are centred upon Clitheroe, namely Ultraframe, Trutex, Castle Cement, Spiroflow and The Printed Paper Cup Company and are all situated in either secondary or buildings with no room for growth.
- 2.9 The recent developments that have taken place have targeted the SME market such as at Link 59 and the former driving range at Salthill and have proven successful in setting new rental and capital values but within units of less than 2,500 sq. ft.
- 2.10 The existing stock generally in the Ribble Valley, with the exception of Link 59 and the infill B1 development at Barrow, is at least 20 years old with low eaves heights and lack of modern amenity in terms of specification and loading.
- 2.11 There is no stock currently available in the 3,000 – 10,000 sq. ft. range.

3.0 **TRENDS IN THE INDUSTRIAL FLOOR SPACE MARKET**

- 3.1 The Ribble Valley is no different from adjoining boroughs in ensuring that opportunities are made available to occupiers who are increasingly more discerning and want to remain within Ribble Valley.
- 3.2 Accessibility is crucial to occupiers who will naturally consider availability adjoining motorway junctions of the M65 in adjoining boroughs. This re-emphasises the importance of bringing forward sites accessible to the A59 and 20 minutes to the national motorway network.
- 3.3 Occupiers are demanding a higher specification than developed in the 1980s in terms of height, office content and overall amenity.

- 3.4 Changing work patterns and life/work balance have encouraged senior management to consider opportunities nearer to where they live. This is typical of the demographic of the population of the Ribble Valley and a unique selling point of the Ribble Valley.
- 3.5 The growth in housing numbers in Ribble Valley has increased to disparity between the scale of employment growth and that of housing.
- 3.6 Existing smaller occupiers in Ribble Valley have no option to expand their operations and are forced to consider adjoining boroughs to relocate to,
- 3.7 We are aware of unsatisfied requirements from companies in the Ribble Valley, particularly in the 3,000 – 10,000 sq. ft. size range totalling in the order of 30,000 sq. ft.

4.0 **SUPPLY OF NEW AND SECONDARY SPACE IN RIBBLE VALLEY**

- 4.1 As documented earlier the only new build of any scale is on the Link 59 development in Clitheroe.
- 4.2 Smaller scale schemes at Barrow and Salthill (former driving range) and Simonstone have come forward more recently.
- 4.3 Occupiers in the mid size range, if they wish to stay in the Ribble Valley, have to rely on windfall existing units coming to the market which are often compromised in some way.
- 4.4 There is no evidence of any significant supply likely to come forward in the next few years.

5.0 **TRENDS IN TENURE AND PRICE/RENTAL**

- 5.1 Typical to East Lancashire and the Ribble Valley is the preference to purchase whether that be as occupier or investor.
- 5.2 Investors view the industrial market as less volatile than other sectors.
- 5.3 The smaller occupiers are more likely to rent in the short term as they view their businesses as expansionary.
- 5.4 Where there has been delivery of space new levels of price and rent have been established:

<u>Date</u>	<u>Details</u>
08.18	<u>17 Deanfield Drive, Link 59</u> 4,926 sq. ft. sold at £450,000/£91.35 per square foot
01/19	<u>Unit 7 Barrow Brook Trade Park</u> 4,500 sq. ft. Let at £7.39 per square foot.

04/19 **Blackburn Road, Simonstone**

2,325 sq. ft. Sold at £279,000/£120 per square foot.

05/19 **Lincoln Way, Unit 1**

1,206 sq. ft. £145,000/£120 per square foot.

07/19 **Unit 13 Lincoln Way**

1,980 sq. ft. £15,000/£7.50 per square foot.

5.5 Yields based on the above comparables are between 7% and 8%.

6.0 **CONCLUSION**

6.1 The subject site occupies one of the most prominent and accessible locations in the Ribble Valley, adjacent to the A59.

6.2 The site is in single ownership, Maple Grove have an option position with the landowners subject to a satisfactory planning consent, and deliverable immediately.

6.3 There is no significant supply coming forward over the next 2-5 years in the size range proposed, nor in adjoining boroughs.

6.4 The floor space proposed is relatively small but is flexible to respond to occupier requirements, compared to Link 59 where approximately 250,000 sq. ft. has been built out.