

ASSESSMENT OF POTENTIAL EMPLOYMENT SITES

For

**WEST DORSET DISTRICT COUNCIL
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West Dorset District Council

Assessment of Potential Employment Sites in West Dorset

Report Number 1.5

16 October 2009

Ref: AT/E1028156

Signed

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EXECUTIVE SUMMARY

In accordance with the instructions, a review of sixty four potential employment sites, identified by West Dorset District Council, has been undertaken. Recommendations are provided of those sites that offer commercial potential and should be considered for future employment uses and those sites which were considered unsuitable.

The study has been undertaken in three phases; desktop study; site inspection and deliverability assessment; with sites that were deemed unsuitable identified and dismissed at each stage. A projected study period of 20 years has been applied.

Within the Appendices is a summary sheet of each site with a qualitative site appraisal, overview of local demand and recommendations for future use.

Twenty sites do not appear to offer commercial potential. Summary sheets for these sites can be found in Appendices C & D or E. It is recommended that alternative uses be considered for these sites.

Seventeen sites offer commercial potential. Summary sheets for these sites can be found in Appendix E. It is recommended that a proactive engagement with landowners be undertaken to ascertain their aspirations with a view to considering these sites for employment purposes in the future.

Eleven of the sites comprise existing industrial estates. Summary sheets for these sites can be found in Appendix F. It is recommended that these be retained for employment uses, with potential for some intensification.

Finally, sixteen sites are potential urban extensions. Summary sheets for these sites can be found in Appendix G. It is recommended that employment land should be considered as part of any large mixed use development and this be included within the master planning of these schemes.

1. INTRODUCTION

- 1.1 In accordance with the briefing note dated 14 November 2008 and instruction letter dated 21 January 2009, a review has been undertaken of sixty four potential employment sites (identified by the Council) within West Dorset.
- 1.2 The aim of this report is to provide an analysis of this potential employment land to identify sites that offer commercial potential and should be considered for future employment uses over a 20 year period.
- 1.3 It is intended that the outcome of this review will enable West Dorset District Council to ensure that there is delivery of sufficient, appropriate employment land and quality of employment premises to meet business requirements and ensure the sustainable growth of the local economy as supported by the Regional Economic Strategy and the Regional Spatial Strategy.
- 1.4 Attached in Appendix A is a list of the Council identified sites, which were subject to assessment in this review.
- 1.5 Appendix H outlines the limitations and assumptions made within this report.

2. METHODOLOGY

- 2.1 This Employment Site Assessment has been undertaken in three phases:
- i) Desktop Study
 - ii) Site Survey/Inspection
 - iii) Deliverability Assessment
- 2.2 The Desktop study involved a simple assessment of each site reviewing location and anticipated demand, planning allocation and history, site restraints, abnormal development costs (where details are available) and previous studies, including

workspace strategies. Following this desk study, sites that were considered to be unsuitable were identified.

- 2.3 An inspection of those sites that offered potential was carried out during a period of time from March - May 2009. An individual checklist for each site was compiled outlining land uses, access, constraints, topography and surrounding land uses. Further to these inspections, sites that were considered to be unsuitable were identified.
- 2.4 Utilising the information compiled above, a detailed qualitative site appraisal was undertaken. This included a market appraisal of those sites thought to offer commercial potential, based upon demand, type and size of end product.
- 2.5 Following the three phases of the study, a final review and recommendations were provided outlining those employment sites with commercial potential and those, which were considered unsuitable.
- 2.6 Employment sites/industrial estates that are currently in use were inspected, with comments regarding their long term suitability and considerations for future use included within this report.
- 2.7 A number of the identified sites comprise potential urban extensions of considerable size. In isolation these were far too large for employment land alone and if they were to be brought forward they would form part of a mixed use scheme (i.e. housing with associated infrastructure and some employment land). Given the size of these schemes, a full development appraisal was beyond the scope of this review, however comments regarding viability, type, demand and recommendations, including where appropriate locations within these extensions are included within this report.

3. OVERVIEW OF EMPLOYMENT LAND IN WEST DORSET

3.1 In order to understand potential demand and needs of employment land in the study area, a brief overview of the main conurbations and existing stock of employment premises/estates are outlined below.

Dorchester

3.2 Dorchester is the county town of Dorset, located on the main east/west and north/south transport routes in the study area. The town has typical amenities, as one would expect for a county town and good transport links, both locally and sub-regionally. Adjoining Dorchester and forming an urban extension to the West is Poundbury.

3.3 Poundbury is effectively a new village/urban extension on the outskirts of Dorchester. It is built entirely on land owned by the Duchy of Cornwall and led by the Prince of Wales. It is being constructed to a high-density urban pattern, focused on creating an integrated community of shops, businesses and private and social housing. A particular emphasis has been placed on town planning and architecture, with the development heavily regulated in appearance by numerous covenants.

3.4 Dorchester has eight principal industrial estates:

Estate	Approx. Age of Buildings	Approx. Size Ranges	Comment on Use
Marabout	Modern	70 - 2,785 sq m (750 - 30,000 sq ft) units	Mix of industrial and warehouse with some retail
Grove Trading Estate	Older with some modern units	70 - 2,785 sq m (750 - 30,000) sq ft units	Mix of industrial and warehouse with some retail/trade

Casterbridge Trading Estate	Older	45 - 278 sq m (500 - 3,000) sq ft units	Single storey storage units and garages
Louds Mill	Older	Circa 45 - 140 sq m (500 - 1,500 sq ft)	Industrial. Retail/trade, includes Household Recycling Centre
Poundbury West Estate	Mix	Circa 70 - 915 sq m (800 - 9,850 sq ft)	Industrial / Warehousing
Railway Triangle	Older	Circa 23 - 1,580 sq m (250 - 17,000 sq ft) units	Industrial
Great Western Business Park	Older	Circa 90 - 1060 sq m (1,000 - 11,400) units	Industrial / Warehousing including builders yard
Jonsons Trading Estate	Older	50 - 125 sq m (550 - 1,350 sq ft)	Industrial / warehousing

3.5 The Dorchester Estates are made up of units of a mix of age and size. Poundbury is predominantly residential, interspersed with employment and industrial use, which range from smaller industrial units and offices (such as Mey House) up to larger industrial/warehouse uses (such as Dorset Cereals).

3.6 Main employers in the town include Dorset County Council, West Dorset District Council, the NHS and Magna Housing.

Bridport

3.7 Bridport is an attractive Dorset country town in close proximity to the Jurassic Coastline. The town has ten industrial estates, all located within approximately 2 miles of the town centre:

Estate	Approx. Age of Buildings	Approx. Size Ranges	Comment on Use
Gore Cross	Modern	Largely 370 - 745 sq m (4,000 - 8,000 sq ft). Two units above 930 sq m (10,000 sq ft). One unit above 2,790 sq m (30,000 sq ft)	Mix of industrial and warehouse
St Andrews	Older	370 - 745 sq m (4,000 - 8,000 sq ft) units with one at circa 3,715 sq m (40,000 sq ft)	Predominantly industrial/engineering
North Mills	Older with scattering of modern units	Smaller units up to 230 sq m (2,500 sq ft), however four companies each occupy between 1,390 sq m and 1,858 sq m (15,000 and 20,000 sq ft)	Predominantly industrial / engineering
St Michaels	Older and Modern	Generally 278 - 465 sq m (3,000 - 5,000 sq ft) with one larger unit	Mix of industrial and warehouse
Priory Lane	Modern	185 sq m (2,000 sq ft) each	Mix of industrial and warehouse
Pymore Mills	Older	Two large buildings between 1858 and 2287 sq m (20,000 - 30,000 sq ft) and an office building	Storage and distribution
Dreadnought	Older	Generally each 232 sq m (2,500 sq ft) although some up to 372 sq m (4,000 sq ft)	Predominantly industrial

Foundry Lane	Older	Range of small starter units	Predominantly tradesman including plumblings, stone masons, builders etc.
Old Laundry	Older and modern	139 - 557 sq m (1,500 - 6,000 sq ft)	Mix of industry and warehousing
East Road	Older	Small starter units	Mix of industry and warehousing

- 3.8 The Bridport Estates mainly comprise a large number of smaller units occupied by a range of industrial and engineering companies. The larger properties tend to be a mix of industry and warehousing. Main employers in the town include Reylon, Bridport Gundry and Armsafe.

Chickerell

- 3.9 Chickerell is a town in West Dorset on the urban edge of Weymouth. West Dorset's principal industrial estate (The Granby) is located in Chickerell. The Granby is an extensive estate providing a mix of older and modern units varying from 45 sq m up to 3,715 sq m (500 sq ft up to 40,000 sq ft). Other industrial estates in the vicinity include Osprey Quay, Mount Pleasant Business Park and Lynch Lane Industrial Estate.
- 3.10 Strategic access to the Weymouth area is limited being set off the main east west link system through the county. However improvements are expected with the new Weymouth relief road (A354) to Dorchester prior to the Olympics in 2012. Main employers in the town include DEK Printing Machines, Weymouth Land Registry and Blundle Harling.

Sherborne

- 3.11 Sherborne is a market town in the north of the county and study area. It is located on the A31, one of the principal east west routes in southern England and is in close proximity to the relatively prosperous town of Yeovil and the M5 beyond.
- 3.12 The town's main industrial estates are Coldharbour and South Western Business Park. Both comprise a mix of industrial units/warehouses with some offices, generally ranging from 90 sq m up to 4,180 sq m (1,000 sq ft up to 45,000 sq ft). Major employers include Sherborne School, Carlisle Process Systems and Interglass Technologies.

Lyme Regis

- 3.13 Lyme Regis is a small coastal town with a historic port near the Dorset/Devon border, with its main industries now revolving around the service sector including tourism, hotels and catering.
- 3.14 Although located close to the A35, strategic access to the town is relatively poor via the A3052. Furthermore, local access through the town centre is restrictive, due to the steeply sloping and narrow road system.
- 3.15 The town's principal industrial estate is the Lyme Regis Industrial Estate, located on the B3165 leading from the town into Devon. Industrial units and offices generally range from 35-112 sq m (400-1,200 sq ft) with the majority of occupiers being local in nature. Major employers include Lyme Regis Community Care.

Beaminster

- 3.16 Beaminster is a small country town located in West Dorset at the head of the Vale of the River Brit. It is located on the A3066, which leads from Bridport in the south to Crewkerne and Somerset to the north.

- 3.17 The town’s industrial estate, Beaminster Business Park, is located to the west of the town centre and comprises a range of units ranging from approximately 92 - 1,858 sq m (1,000 sq ft to 20,000 sq ft). The principal occupier is Clipper Teas.
- 3.18 Horn Park Quarry Business Park is located approximately 2 miles from the town centre on the B3163. It comprises of modern blocks of units generally ranging from 92 - 558 sq m (1,000 sq ft - 6,000 sq ft), although it includes one larger unit providing some 930 sq m (10,000 sq ft).

Rural

- 3.19 In addition to the existing employment land and industrial estates within larger towns in West Dorset, there are a number of smaller estates located in more rural areas. Outlined in tabular form below is a list of some of these estates, although it should be noted that this list is not comprehensive.

Location	Estate	Approx. Age of Buildings	Approx. Size Ranges	Comments
Crossways	Hybris Business Park	Modern	45-1,395 sq m (500-15,000 sq ft) units	Recently extended with modern units to front
Salway Ash	Pineapple Business Park	Modern		Mix of modern and some converted former agricultural buildings
Charminster	Charminster Farm	Older	Up to circa 92 sq m (1,000 sq ft)	Small converted former agricultural buildings. Located opposite DCC

				'lockup' yard
Piddlehinton	Enterprise Camp	Older	Various up to 1,390 sq m (15,000 sq ft)	Former army barracks in rural location most of which have been refurbished
Broadmayne	Roman Hill Trading Estate	Older	Various, ranging from circa 45 sq m (500 sq ft)	Converted farm buildings. Small units of a basic spec.

3.20 The rural industrial estates mainly comprise of smaller units with local occupiers, with only a few larger units. Demand and values are less than those in the main towns in the study area.

4. OVERVIEW OF MARKET TRENDS AND DEMAND

4.1 This overview of market trends and demand is based upon market research utilising our in-house facilities, the 'Bournemouth, Dorset, Poole Property Pilot system', our market knowledge and expertise and those of other active agents in the region.

4.2 In arriving at our opinions herein we have relied upon our experiences in speculative new schemes (industrial, warehouse and offices) in Dorset, where we have had involvement from the outset working with both architects and developers on designing schemes with market appeal in locations including; Portland, Weymouth, Dorchester, Blandford, Gillingham, Bridport, Ferndown and Poole. Our experience of these developments has enabled us to consider the anticipated quantity of land required over the study period.

4.3 We have considered the projected size and location of each identified site in comparison to the size of the urban area within its proximity. We have drawn comparisons with similar locations and analysed developments that have occurred

over the past 15-20 years to ascertain the anticipated quantity of future employment land which is likely to be demanded for each location. As advised, this is projected over a 20 year period.

- 4.4 As one would expect, the scale and nature of demand for employment land varies across the study area and is greater within the larger towns. An estimate of the quantity of anticipated employment land for various locations is outlined on the summary sheets herein.
- 4.5 Generally, demand is for smaller units (less than 465 sq m (5,000 sq ft)), reducing in size in the rural areas. Demand for larger units is rare and development of this type of unit is unlikely to be speculative.
- 4.6 Occupiers of larger buildings have mostly been based in the area for many years and demand from expanding businesses is likely to be from those who are already located within the study area. In general, West Dorset is unlikely to attract significant inward investment, with the exception of possibly Dorchester and the Granby Industrial Estate, mainly due to a relatively poor communication infrastructure.
- 4.7 Enclosed in Appendix B is a table outlining the anticipated uses and assumed specification for proposed units in various locations within the study area.
- 4.8 The specification of units varies across the study area to reflect the likely end value and rents. In more rural areas, where end values are anticipated to be lower, the specification and build costs need to be kept to a minimum to ensure that a scheme remains viable. Therefore it will be noted that our anticipated eaves heights are lower and cladding and finishes are to a lesser standard in rural areas. The standard of specification and eaves height increase (and thus so do the build costs) in more urban areas such as Dorchester and Chickerell where rents and values are generally higher.

- 4.9 There is unlikely to be significant demand for speculative office schemes within the study area. Where offices may be a viable option, reference has been made within Appendix B and on appropriate summary sheets. Generally these are limited to Dorchester, Sherborne and potentially Puddletown, although it is possible that there may be some demand from existing occupiers in Bridport and Chickerell. The specification of offices varies across the study area with a high specification in urban areas such as Dorchester.
- 4.10 In order to reflect demand within the study area, it is important to retain a mix of older and modern purpose built units. This provides a range of units to fulfil the mixed budgets of potential occupiers.
- 4.11 Demand is anticipated for both freehold and leasehold properties across the study area.
- 4.12 In order to attract the highest demand (from both a speculative developer and owner occupiers perspective) and ensure that any new schemes appeal to the widest possible audience, it is recommended that B1, 'light industry' B2 'general industrial' and B8 'storage and distribution' are considered at each site. This recommendation is based upon our experience of new schemes across Dorset and ensures that the value of any development is maximised, which is particularly important in West Dorset.
- 4.13 It may also be prudent to consider alternative uses at high profile entrances to new employment sites subject to demand, such as a hotel, veterinary surgery, doctors surgery, educational centre etc., as this would likely add value to a scheme and increase its viability.
- 4.14 Additionally in locations such as Weymouth and Dorchester, it would be prudent to consider a proportion of quasi retail/trade counter development in prominent locations on busy roads where sites can offer appropriate profile. This will again add value to a scheme and potentially increase its viability.

- 4.15 Enclosed in Appendix B is a table providing an indication of value and rents for the various types of units and at different locations within the study area. These are based on our market knowledge and that of other active agents in the region together with comparable transactions of similar units.
- 4.16 Historically, values in West Dorset are considerably less than Poole and Bournemouth, not least due to the aforementioned relatively poor road networks. Rents and prices within the study area have not significantly increased in the past 10 years and are unlikely to increase in the short-medium term.
- 4.17 Generally, throughout the study area and particularly in rural areas, potential occupiers (either freehold or leasehold) are conscious of purchase prices/rents and this would likely be reflected in the quality of any speculative developments.
- 4.18 It should be noted that when undertaking the development appraisals no allowance has been made for building to specific planning requirements (e.g. BREEAM), or Section 106 contributions which may be imposed on any of the sites.
- 4.19 If specific planning requirements/contributions are deemed essential on any of the sites, it is highly likely that these contributions/restrictions will make any site unviable. This is due to the increased associated build costs, which will not be reflected in the final end values.
- 4.20 Finally, there could be additional demand from 'owner occupiers' who would look to purchase land and self-build a unit to fulfil their own requirements. Given the lower associated build costs with these schemes, sites that currently offer limited commercial appeal may become more viable. Principally this is due to the reduced 'profit' level an owner occupier would seek compared with a speculative developer.

5. FINDINGS

- 5.1 In accordance with the aim of this review, this report identifies those sites that appear to be commercially viable employment land and those which may not be suitable for future employment uses.
- 5.2 For a site to be ultimately 'viable' it must be suitable for the proposed use and have the potential to be commercially deliverable, which has been ascertained based upon the current evidence of sale prices/rents and build costs for its location within the study area. A projected study period of 20 years has been applied.
- 5.3 A desk study of the sites was carried out, based upon the information provided including workspace strategies and databases. A simple assessment of each site was undertaken looking at the following:
- Location and proximity to other Industrial Estates
 - Site Size
 - Accessibility
 - Development Constraints
 - Planning Constraints
 - Sustainability
 - Commercial Appeal
- 5.4 Sites scored poorly if they were badly located (e.g. adjoining residential property), had poor strategic access, were distant from other industrial estates or local facilities, were unlikely to attract demand or had adverse planning or highways issues.
- 5.5 Seven sites were deemed not suitable at this stage of the review. These are outlined in Appendix C, together with a summary sheet for each site, with recommendations and comments as to why they were not further considered.

- 5.6 The site inspections provided an opportunity to undertake a more detailed review of those sites that offered potential.
- 5.7 Detailed notes were compiled for each site, including surrounding land uses and local facilities, strategic access, locational constraints, development constraints and contamination.
- 5.8 Enclosed in Appendix H is a guide to the qualitative site appraisal scores and indicators in addition to an overview of the assessment criteria applied for the sites.
- 5.9 Sites scored poorly if they were badly located in close proximity to conflicting uses, offered inappropriate local access, had visible development constraints, were subject to potential contamination or had inappropriate neighbouring uses.
- 5.10 A site inspection of all the potential urban extensions and the existing allocated employment sites/industrial estates within the review was also undertaken.
- 5.11 Eleven sites were considered to be unsuitable further to these inspections. Enclosed in Appendix D is a table outlining these sites, together with a summary sheet for each site with recommendations and comments as to why they were not further considered.
- 5.12 Nineteen sites were subject to more detailed studies. Where appropriate this included a development appraisal looking at the Gross Development Value (GDV) of each site less approximate costs of construction, including bank interest and professional fees, to ascertain whether a site is potentially economically deliverable. Appendix H outlines the methodology, assumptions and limitations of the development appraisals.
- 5.13 Enclosed in Appendix E is a table outlining those sites, which were subject to more detailed studies, together with a summary sheet for each with recommendations

and comments. Out of the nineteen sites, seventeen of the sites were considered to offer commercial potential. Whilst these sites appear viable, full detailed appraisals may reveal additional costs that could affect viability.

- 5.14 The eleven sites within the study, which comprise existing industrial estates, are outlined in Appendix F, together with a summary sheet for each with comments regarding their long term viability and recommendations for future use.
- 5.15 It is important to note that a number of these sites offer older industrial premises, which are of a lesser quality. These units are priced accordingly at affordable levels and provide an important source of employment sites within the study area.
- 5.16 Finally, sixteen of the sites are proposed potential urban extensions. Enclosed in Appendix G is a summary sheet for each of these sites, together with general comments regarding demand and where appropriate those locations within these extensions, which would favour employment uses.

6. CONCLUSIONS AND RECOMMENDATIONS

- 6.1 Enclosed on each summary sheet within the Appendix are recommendations for each site within the study area.
- 6.2 As previously discussed, rents and prices have not significantly increased over the past few years within West Dorset and are unlikely to increase in the near future. If this trend continues and as build costs start to rise, this may have an adverse impact upon the suitability and commercial viability of some of the sites, which appear to currently offer potential.
- 6.3 Furthermore, in terms of those sites subject to detailed studies, it should be noted that bank finance levels are currently at exceptionally low levels. As interest levels and thus the costs of bank finance rise in the future, some sites may become less commercially attractive.

- 6.4 Within the study, it is recommended that the twenty sites which do not appear to be commercially suitable for future employment land uses should be considered for alternative uses or remain undeveloped. In some cases, suggested alternative uses have been provided.
- 6.5 In respect of the seventeen sites that appear to offer commercially viable employment land, it would be prudent to enter into proactive discussions with current landowners to ascertain their aspirations. Furthermore, full detailed appraisals may reveal additional costs, which could affect the apparent viability of each site. Therefore it is recommended that further investigations are undertaken to more accurately assess the viability of these sites.
- 6.6 In respect of the eleven sites, which form the existing industrial estates, it is recommended that these sites be retained as employment land for the foreseeable future. Some of these sites may offer lower quality units, however it is important to retain a mix of sizes and both good and lesser quality employment premises to reflect market demand.
- 6.7 In respect of the sixteen urban extensions, in most cases, it is recommended that employment land be included as part of a mixed use development. Within these schemes, prominent main road locations or those adjoining existing industrial areas would be favourable to locate any employment land.