



STATEMENT IN RESPONSE TO
INSPECTOR'S MATTERS, ISSUES AND
QUESTIONS TO THE EXAMINATION
OF THE KIRKLEES LOCAL PLAN

MATTER 6

CLAYTON WEST DEVELOPMENT
COMPANY LIMITED

September 2017

Our Ref: Q50514



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1 INTRODUCTION

- 1.1 These representations are made on behalf of Clayton West Development Company Limited (“CWDCL”).
- 1.2 CWDCL have a development option on 25.7ha of land to the north and south of Wakefield Road, Clayton West. This is shown on the Plan at **Appendix 1**. This land is referred to throughout this response as the “CWDCL Land”.
- 1.3 CWDCL have made representations to the Kirklees Local Plan (“KLP”) at each stage of its preparation (namely, Call for Sites January 2015, Regulation 18 November 2015 and February 2016 and Regulation 19 November 2016).
- 1.4 CWDCL also made further representations in August 2016 (prior to the Regulation 19 Consultation) to deal with specific matters raised by the Kirklees Metropolitan Borough Council’s (“the Council”) landscape architect.
- 1.5 CWDCL have additionally submitted information over the period April – August 2017 to address questions from Historic England about the likely magnitude of any effects on designated heritage assets in the vicinity of the CWDCL Land, which will be relevant to the site specific hearing sessions due to take place in Spring 2018.
- 1.6 CWDCL’s representations and the additional information submitted show that it is wholly appropriate and necessary to allocate the full extent of the CWDCL Land for employment development in the KLP. The Council is proposing to only allocate part of the CWDCL Land for employment development in the KLP via Policy E2333. The extent of the proposed allocation is shown on the Plan included at **Appendix 2**.
- 1.7 CWDCL maintain that it is both appropriate and necessary to allocate the entirety of the CWDCL for development over the Plan Period to meet the objectively assessed needs of the Borough in full. This Statement demonstrates that CWDCL support the KLP and the intended allocation of the CWDCL Land for employment uses. CWDCL will, however, invite the Inspector to consider the



appropriateness of extending the Council's proposed allocation through her Examination of the Plan at the site specific hearing sessions in Spring 2018.

- 1.8 This Statement goes on to deal with the specific issues raised by the Inspector during her initial consideration of the KLP where relevant to CWDCL's interests. Specifically it relates to Matter 6 which considers the Council's employment needs and delivery.

2 MATTER 6: EMPLOYMENT NEEDS AND DELIVERY

- 2.1 The Inspector has identified that the issues falling under this Matter relate to whether the KLP, ***“sets out a positively prepared strategy for the delivery of employment development and jobs, which is justified, effective and consistent with national policy?”***
- 2.2 The questions of relevance to the CWDCL Land falling under this issue are addressed below.
- a) **Are the employment density assumptions used to translate the objectively assessed need for jobs (23,000) into land requirements justified and robustly based? Has the land requirement been disaggregated by employment use class as well as sector?**
- 2.3 The Roger Tym April 2010 ‘Planning for Employment Land, Translating Jobs into Land’ study (“the RTR”) identifies the need for local planning authorities to base their employment land provision on employment growth targets via the following steps (set out at Paragraph 7.1 of the Report):
- i. Translating employment change by industrial sector into employment change by land use;
 - ii. Then translating these future jobs into floorspace requirements, concluding that as a default authorities should assume floorspace per worker of 16sqm (net internal) for offices and 67 sqm for industry and warehousing; and
 - iii. Finally translating floorspace into site area on the basis of a default assumption of 3,500 – 4,000 sqm per hectate for insdustry, warehousing and out-of-town offices.
- 2.4 It is noted that the RTR makes clear that, wherever possible, *“authorities should avoid blanket assumptions about plot ratios”* (Paragraph 7.1), with floorspace targets being the main “yardstick” being used in planning policies.
- 2.5 This is particularly relevant in the context of the Council’s approach to allocating the CWDCL only in part.
- 2.6 CWDCL will invite the Inspector to consider this matter further during the site specific hearing sessions in Spring 2018 but, in short, CWDCL consider that the RTR plot ratio assumptions are unrealistic at the CWDCL Land due to the nature of the site, particularly due to its topography; the

need to ensure that Green Belt boundaries (once redrawn) are appropriate, defensible and longstanding; and the proposal to incorporate high quality landscape mitigation.

- 2.7 CWDCL have reached this conclusion on the basis of their own feasibility work, which has been provided as part of their previous representations but is included at **Appendix 3** for ease of reference.
- 2.8 This feasibility work has shown that the net developable area of the intended allocation is in the order of between circa 10.1ha and 11.3ha and, as such, is only likely to deliver in the order of 35,100 – 37,250 sqm of commercial floorspace (which is some 14,865 – 17,000 sqm (up to 33%) less than the amount which the Council has identified as being acceptable and necessary at this site.
- 2.9 Whilst CWDCL has not undertaken a review of the other proposed employment allocations proposed in the KLP, it may be the case that other proposed allocations will not deliver the amount of floorspace that has been assumed. There may, therefore, be a need to extend other allocations and/or identify additional land to accommodate any shortfall in employment development.
- 2.10 However, notwithstanding these views, the job density assumptions contained in the study when applied to the identified jobs need of 23,200 results in a total employment land requirement in Kirklees of 175 hectares on the basis of FTE jobs growth by sector.
- 2.11 The RTR does not provide density assumptions on the basis of the categories of uses in the Use Classes Order. The Council has therefore used the job density assumptions set out in the Roger Tym Report.
- 2.12 This approach is, however, fully justified by the RTR which (at Paragraph 3.5) sets out that they have not broken down the B-class land uses as finely as the Use Classes Order *“largely because none of the information sources make this distinction. Notably it doesn’t identify research and development as a separate category given this comprises such a tiny sector accounting for 0.4% jobs in the UK and 0.1% in Yorkshire and the Humber”*, and CWDCL consider this approach to be sound.

b) What is the total amount of employment land predicted to come forward over the Plan period, arising from Table 3 in the Plan?

2.13 Table 3 (included below) of the KLP identifies how the Council proposes to meet the employment land requirement that has been identified by the Council's evidence base (as set out above).

2.14 The Council has included a 10% flexibility allowance, as well as considering completions since the start of the Plan Period; commitments; and potential losses of existing employment land. The Council therefore proposed to allocate sites to provide 108ha additional hectares of employment land over the Plan Period, resulting in a total of 167ha of land allocated by the KLP. This approach is supported by CWDCL.

| Meeting the Employment Land Requirement | Hectares |
|--|------------|
| Employment land requirement (based on REIU work) | 175 |
| Completions - employment land take-up (since 1st April 2013) | - 15 |
| Commitments - on land not allocated for employment or mixed use | - 15 |
| Supply from previous permissions - on land not allocated for employment or mixed use | - 3 |
| 10% flexibility allowance | + 14 |
| Potential supply from PEAs | - 48 |
| Amount of additional employment land required | 108 |
| Amount of land allocated (net) | 167 |

Table 3 Meeting the employment land requirement

2.15 All of the sites that are proposed to be allocated by the KLP have been individually assessed by the Council in terms of their availability and deliverability (as required by the NPPF). The Council's Growth Delivery Statement sets out their approach, and states:

- *"The Council has engaged with landowners and developers in the preparation of the Local Plan to ensure that the sites for development are readily available, and that they have the ability to deliver the growth proposals allocated to their site(s) within the plan period, in accordance with the agreed phasing of development deliver" (Para. 1.24);*

- *“The sites included in the Kirklees Local Plan have been selected having regard to their availability, the suitability of their location, and their achievability within the local plan period” (Para. 5.36);*
- *“The Sites which have been selected for development have been guided to suitable and deliverable locations as a result of the spatial strategy approach, and have been tested against technical and deliverability considerations during their selection process, with site capacity having regard to on-site constraints” (Para. 7.4).*

2.16 The Council has, therefore, concluded that all of its proposed allocations will come forward in full over the Plan Period.

2.17 Whilst CWDCL has not assessed all of the Council’s proposed allocations, CWDCL’s previous representations have demonstrated through market evidence (included at **Appendix 4**) that there is significant latent market demand for the CWDCL Land and that it is capable of being delivered in full over the Plan Period.

c) Is the predicted supply of employment land over the Plan period (arising from Table 3 in the Plan) justified, deliverable and supported by robust evidence?

2.18 The paragraphs above have considered the approach that the Council has taken to calculating its employment land requirements over the Plan Period, as well as their assessment of individual sites proposed to be allocated to meet this identified need.

2.19 CWDCL generally support the Council’s approach to these matters (albeit the Council has applied the development density assumptions set out in the RTR uniformly across all of its proposed allocations, which has led to less of the CWDCL Land being allocated by Policy E2333 than is required to deliver the amount of floorspace identified by the Council as being required at the Site – this matter will be considered further by CWDCL in site specific submissions later in the Examination).

2.20 The predicted supply of employment land over the Plan period is justified by the KLP’s vision and the main priorities identified in the SEP and the KES. The deliverability of these sites has been considered above.

d) Does the location and type of employment land allocated in the Plan accord with the housing and spatial development strategy in the Plan and the Council's Economic Strategy (LE6)? Does it reflect the identified land requirements and needs of different businesses/sectors, as established in the Council's Employment Technical Paper (SD22)?

- 2.21 There are three distinct FEAs in the Borough: Huddersfield, North Kirklees and South Kirklees, which are themselves defined by physical and socio-demographic characteristics.
- 2.22 The South Kirklees area is considered the most 'rural' area with a more limited workforce catchment. The area caters for local demand and smaller scale business and operational requirements when compared to the northern parts of the Borough. There is also an identifiable need to address existing negative commuting patterns experienced throughout Rural Kirklees (and particularly in Clayton West) in order to help create more sustainable communities and patterns of travel.
- 2.23 However, parts of South Kirklees (in particular Clayton West) can be differentiated from much of the rest of the FEA as a result of their relationship with key transport corridors, including the M1 in particular.
- 2.24 The CWDCL Land is located within the South Kirklees Functional Employment Area ("FEA").
- 2.25 There is limited available employment land stock in South Kirklees (16,400sqm) and the supply of employment land is also highly limited (in the order of 8.28ha, split across just 20 employment land commitments i.e. sites that are allocated within the existing UDP and remain undeveloped or sites that benefit from planning permissions). 27ha of new employment land is proposed to be allocated in South Kirklees, to be delivered over the Plan Period.
- 2.26 The housing and spatial development strategy (set out on Page 36 of the KLP) therefore identifies the intention for prime new employment development to be located along the M62 corridor to the north of Kirklees and in the Dearne Valley, where easier access can be achieved to the M1.
- 2.27 The CWDCL allocation is (along with all other allocations in the KLP) market derived, i.e. the Council have in drafting the KLP assessed the development potential of those sites put forward for allocation through the previous Call for Sites exercise and their capability or otherwise to meet in full, the Council's employment land requirement (175ha).

- 2.28 Clayton West's prime positioning on the A636, Wakefield Road and its proximity (circa 8km) to the M1 make it attractive to regional and national occupiers and a sustainable and accessible option for indigenous local businesses.
- 2.29 The Market Report included at **Appendix 4** considers this matter in detail, as well as the suitability of the CWDCL Land to meet identified needs in this location, and concludes (Section 2.5.3):
- "Clayton West is situated in the east of the South Kirklees FEA which is the most attractive location for employment occupiers within the FEA as the site is the most accessible within the sub-region around 10 minutes from the M1 motorway along the Wakefield Road corridor.... The subject site at Clayton West is the optimum location within the South Kirklees FEA situated in close proximity to the M1 motorway and along the Wakefield Road corridor and could be developed for employment to satisfy the latent demand which is currently available in the market."*
- 2.30 This is recognised in the Council's longstanding objective to support the provision of new employment land in Clayton West (evidenced by the proposed allocation of the CWDCL Land from an early stage in the plan-making process) which reflects the aspiration of ensuring that there will be opportunities for new jobs close to the settlements in the South Kirklees area.
- 2.31 Clayton West in particular is recognised by the Council as a strategic location. Whilst there has been limited market activity in recent years, as shown by the Market Report at **Appendix 4**, this is a reflection of limited land supply as opposed to local market failure. Land to the east of the settlement (including the CWDCL Land) has consistently been demonstrated by CWDCL's previous representations as being available, deliverable, viable and market attractive.
- 2.32 Despite the above, the lack of available commercial space and deliverable sites within South Kirklees and Clayton West to accommodate occupiers' requirements has led to a latent demand for employment space in South Kirklees in the order of 23,225 sq m (250,000 sq ft).
- 2.33 This scale of existing demand if accommodated on the CWDCL Land would create a critical mass which could result in an employment land delivery rate on the site of 2,322 sq m per annum, thus leading to a further 27,870 sq m (300,000 sq ft) to 37,160 sq m (400,000 sq ft) over the Plan Period.

2.34 This added to the existing demand would warrant the allocation of land capable of delivering in the order of 52,000 sq m (565,000 sq ft) to 62,000 sq m (665,000 sq ft) at the CWDCL Land.

2.35 The Council's suggestion that land is necessary in Clayton West to provide an additional 55,000 sq m of employment development is considered appropriate and sound in market terms.

e) **What is the definition of 'prime employment sites', and to what degree do the proposed employment allocations fall under this category?**

2.36 "Prime employment sites" are generally regarded as being large areas of undeveloped land that are well placed to take advantage of established business corridors, with good access to the workforce, public transport and motorway junction (as described at Paragraph 7.13 of the KLP).

2.37 As demonstrated in CWDCL's previous representations, and for the reasons set out above, the CWDCL Land meets this definition in full, being well placed to take advantage of latent market demand and its access to the workforce and transport infrastructure for (inter alia) the following reasons:

- Its prime positioning on the A636, Wakefield Road, and its proximity (circa 8km) to the M1;
- The ability of the Site to accommodate large scale employment development without unacceptable effects on its landscape setting;
- It is easily accessible from the settlement's local centre and is within easy walking distance of a range of local services and facilities, including local bus services (providing good access to other nearby settlements);
- It is being promoted for allocation by CWDCL, who has sole control of the CWDCL Land in full and its road frontage;
- The Site's single ownership and its market attractiveness make it a deliverable and viable development option, capable of being delivered in full over the Plan Period.

f) **Does the Plan provide sufficient clarity regarding which employment uses (in B Use Class) are permitted on the allocation sites? Are other employment generating uses such as retail and leisure uses permitted on the allocations?**

2.38 The Council's Employment Technical Paper defines the term 'employment' as meaning land uses falling within Class B of the Use Class Order (i.e. offices, research and development, light industry, general industry and storage and distribution).

2.39 The employment uses which can come forward on allocated sites are not restricted by the wording of the KLP's policies. This will enable allocated sites to be brought forward flexibly, responding to market demands.

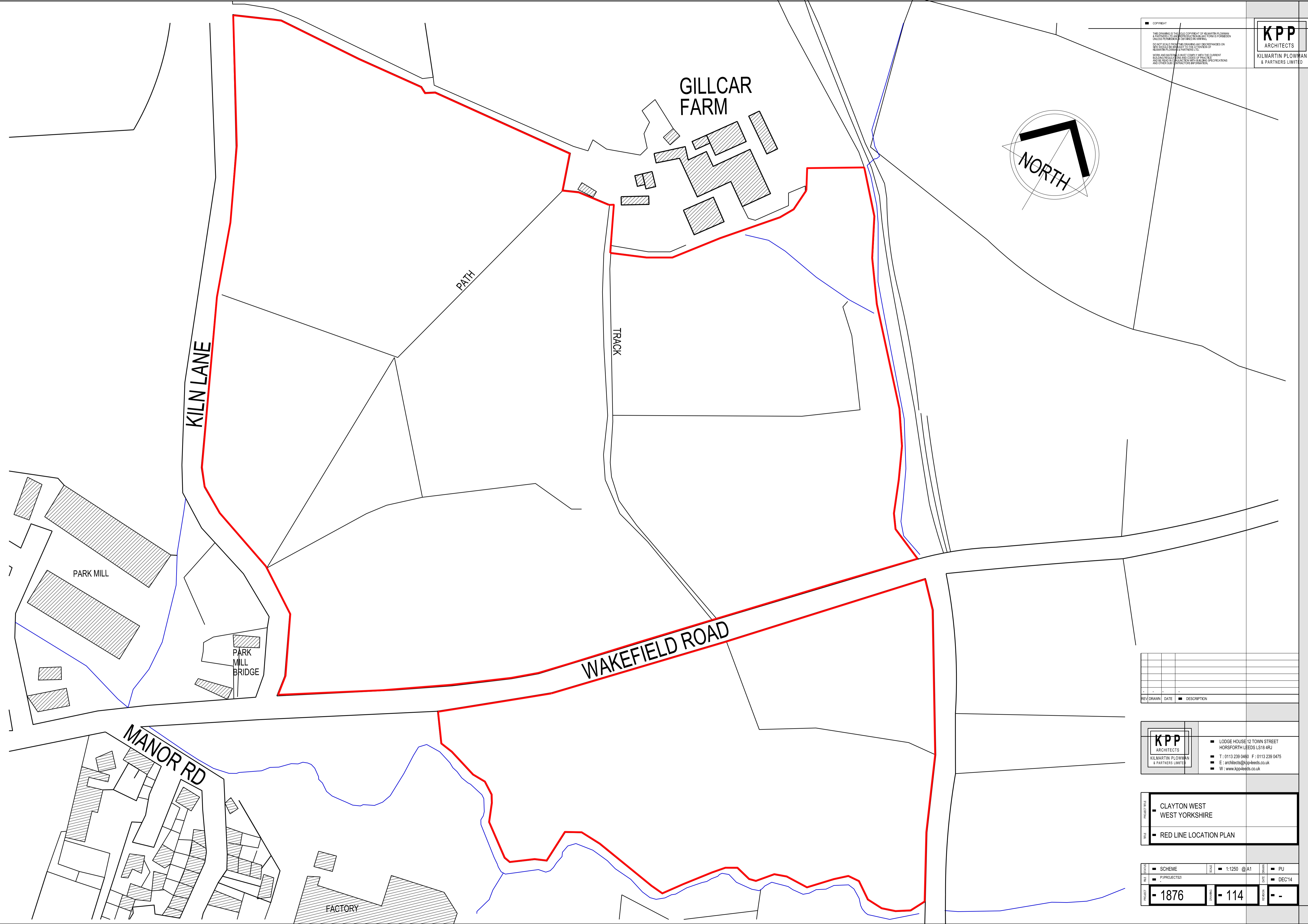
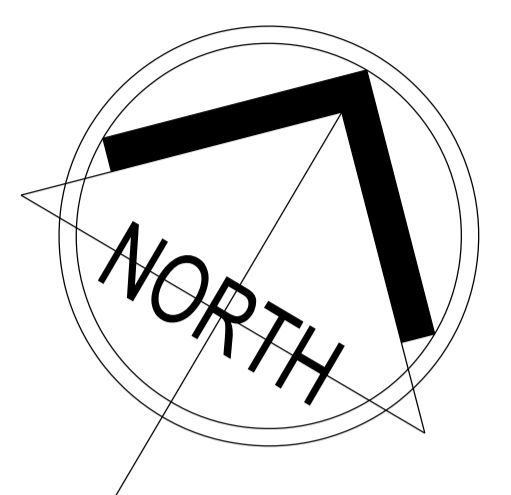
2.40 Prime employment sites, such as E2333a, have been allocated primarily to accommodate B1c/B2 and B8 uses, though there may be an element of ancillary B1a office accommodation and research and development delivered as part of any phase of development and other supporting/ancillary uses may also be appropriate as part of the wider use of the site(s).



APPENDIX 1

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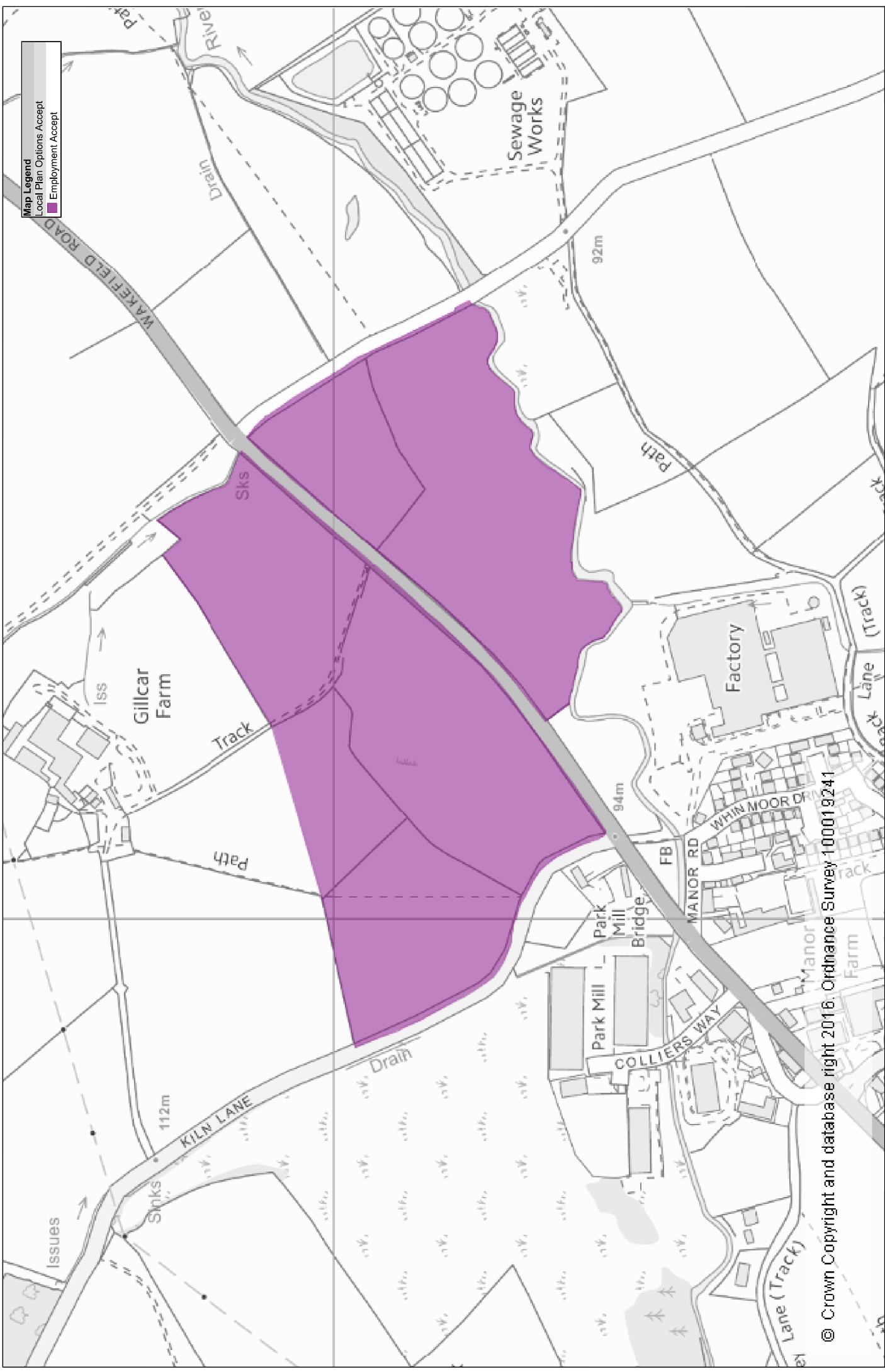
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 WEST YORKSHIRE

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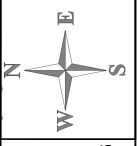
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APPENDIX 2



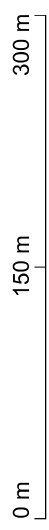
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APPENDIX 3



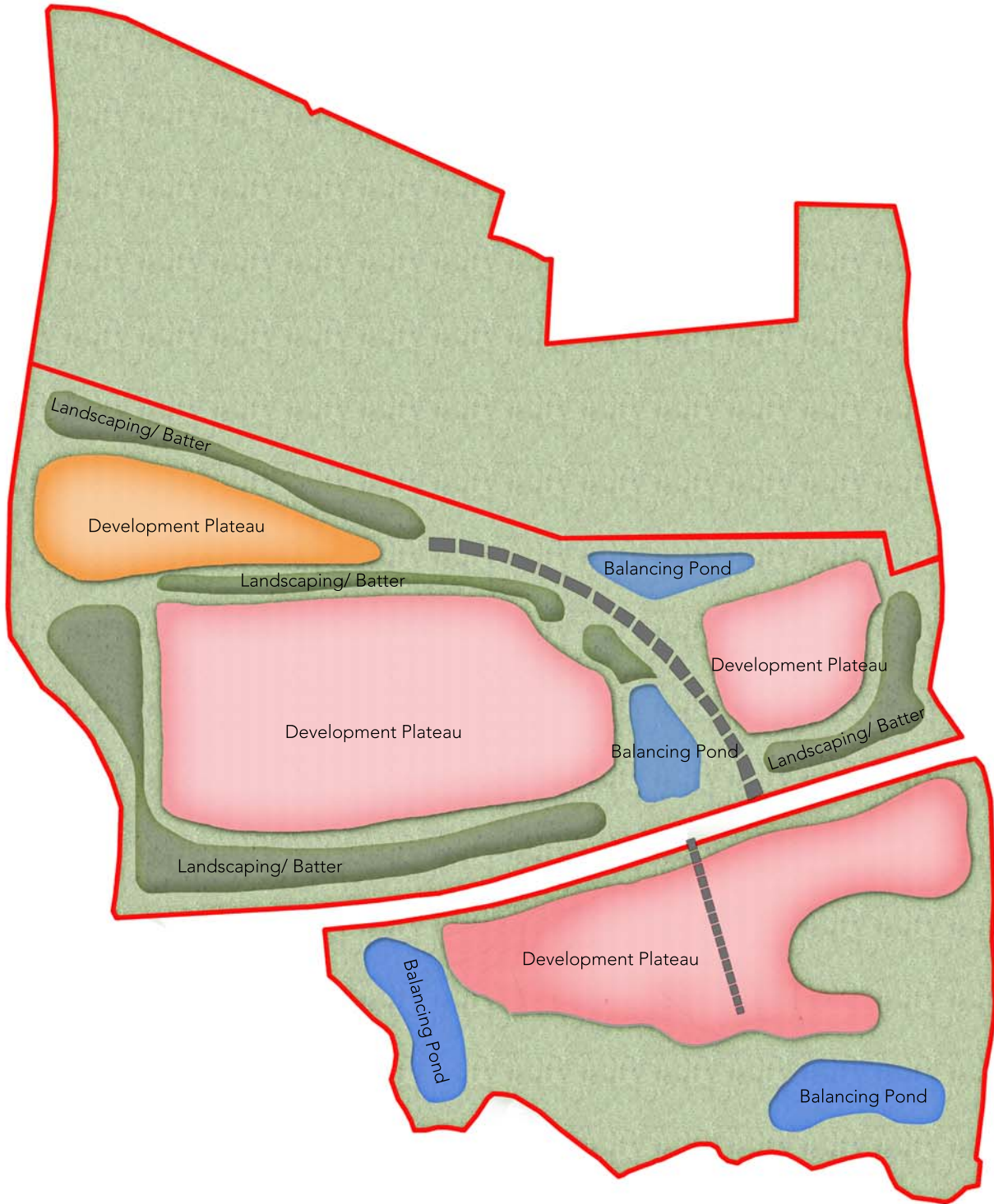
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CLAYTON WEST
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MASTER PLAN 2

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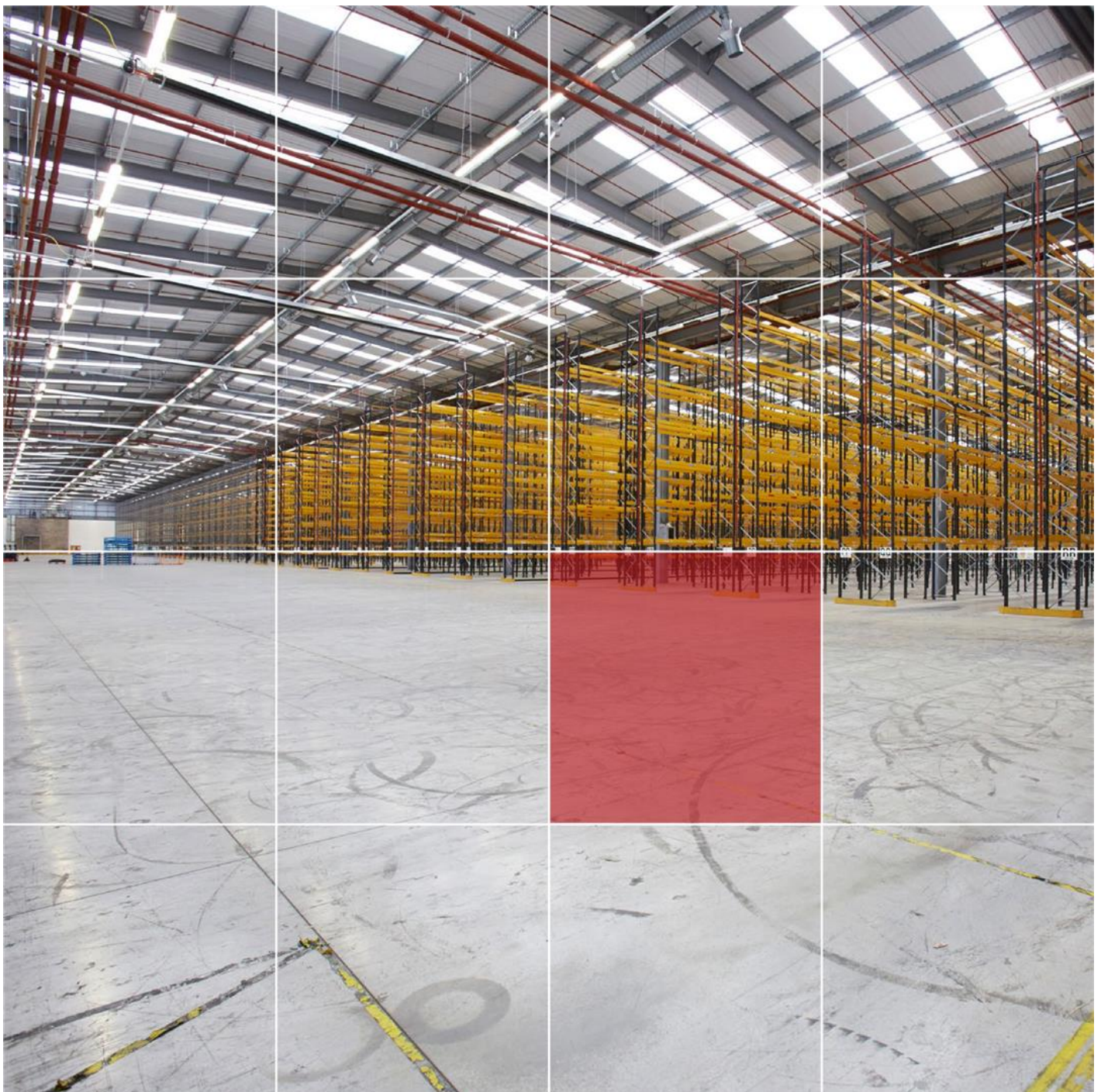
APPENDIX 4

Development Consulting

Clayton West Development Company Ltd

Market Assessment - Land to the North and South of
Wakefield Road, Clayton West

December 2016



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1 Introduction

1.1 Purpose of Report

This report has been prepared for Clayton West Development Company Ltd (CWDCL), who are promoting the subject site for employment development through the Kirklees Local Plan. The subject site comprises a large parcel of land at the north eastern edge of Clayton West within the Borough of Kirklees as shown on the plan below.

The Publication Draft of the Kirklees Local Plan (November 2016) proposes that only part of the site be allocated for employment use. This report reviews the need for the whole site to be allocated for employment use within the Local Plan and the potential consequences should the whole of the site not be allocated.

This report also reviews the current and historic market trends, along with the future need for employment development at the site along with highlighting the locational benefits to provide the appropriate type and amount of floorspace which could be accommodated at the site.

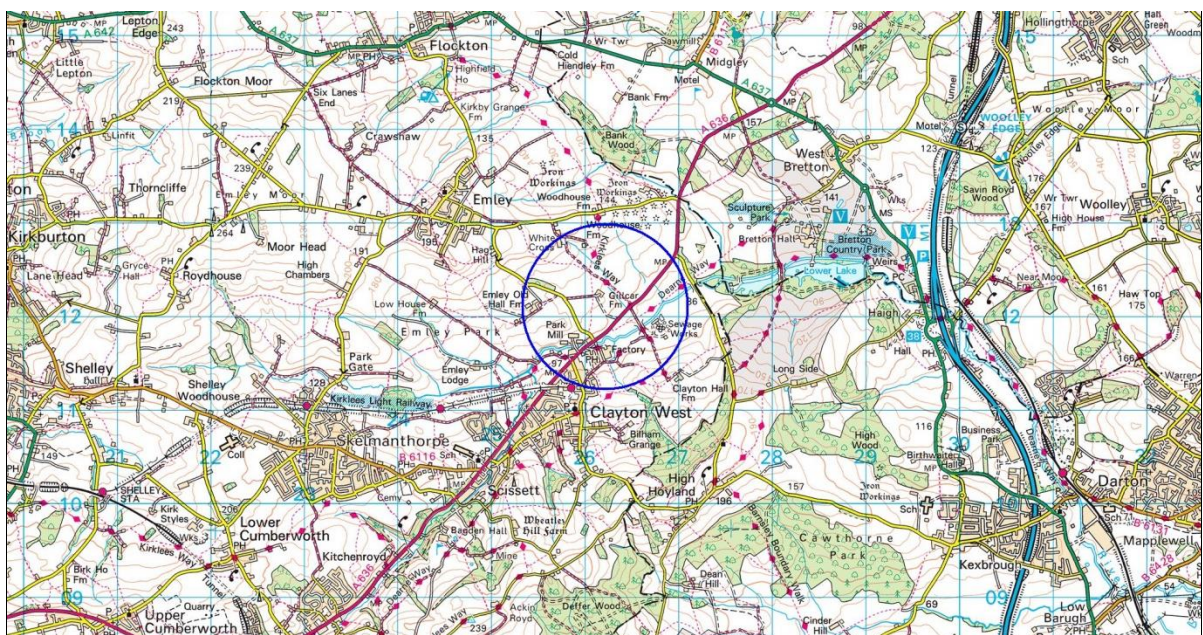
1.2 Site Overview

The subject site currently comprises agricultural land within the Green Belt. The site is split north and south of the A636 (Wakefield Road). It has been identified by Kirklees Council (the Council) as a site that is appropriate for employment development to meet the Borough's economic needs and as such it is proposed in a large part to be removed from the Green Belt.

The site which lies to the north of Wakefield Road slopes from north to south. The site which lies to the south of Wakefield Road also slopes from north to south.

The site's boundaries are well defined. Kiln Lane and an existing tree line forms the western boundary, agricultural fields form the northern boundary, existing footpath leading from Wakefield Road form the eastern boundary and the River Dearne and tree line form the southern boundary.

The site is identified on the plan below.



2 Market Assessment

2.1 National and Regional Overview

2.1.1 Industrial

UK economic growth slowed to 2.2% in 2015 compared with 2.6% in 2014, which was the strongest annual rate since 2007. Latest independent forecasts indicate that the economy is expected to grow at a similar rate in 2016 and 2017 – suggesting a steady growth outlook.

Whilst economic growth has been steady a lower level of take-up was recorded in 2015 compared with 2014. Total industrial take-up (all units sizes from 1,000 sq ft upwards) was 89.3 million sq ft last year, 11% down on 2014. The fall in demand was mostly due to reduced activity in the big box market (units of 100,000 sq ft and over), where take-up fell 22%. The take-up of small and medium-sized units between 1,000 sq ft to 99,999 sq ft was 5% down on 2014.

Regionally, industrial take-up across Yorkshire & Humberside totalled around 8.8 million sq ft in 2015. Take-up involving units from 1,000 sq ft to 99,999 sq ft totalled 5.9 million sq ft. Take-up involving large units of 100,000 sq ft and over totalled 2.9 million sq ft.

At the end of December 2015, there was some 23.6 million sq ft of industrial floorspace available across the Yorkshire and Humberside market, 18% down on the end of December 2014. Availability in Yorkshire and Humberside accounted for 11.9% of the GB total.

The available supply in units below 100,000 sq ft totalled 15.8 million sq ft, 20% lower than at the end of December 2014. Around 9% of the available floorspace in this size band comprised new or refurbished floorspace, matching the GB average.

At the end of December 2015, availability in units of 1,000 to 99,999 sq ft represented around two and a half years of supply compared with the annual average take-up rate over the past five years (2011 – 2015).

Whilst data for the year 2016 is not yet available it is expected to reveal another strong year in terms of take up and a subsequent contraction in supply. However JLL are aware of a number of speculative schemes which are currently being developed within the region where developers have cited a lack of good quality stock constricting the market.

2.1.2 Offices

The Yorkshire office market experienced a subdued start to 2016 with take-up for the first six months of the year standing at 194,830 sq ft and somewhat off being on target for the 10-year annual average of 498,000 sq ft. While the market was less active in the run up to the EU referendum early indications are that the market fundamentals of Leeds remain strong, with a number of corporates and the government progressing with significant office space requirements. Alongside relatively limited quality supply, this will continue to underpin market stability and confidence levels.

Supply levels currently remain constrained and the overall vacancy rate moved in to 4.1% during Q2. The scarcity of Grade A space will be addressed in Q3 when three new build schemes complete (some of which are already part pre-let). Beyond 2016 there are no major new build schemes on site in the city centre and

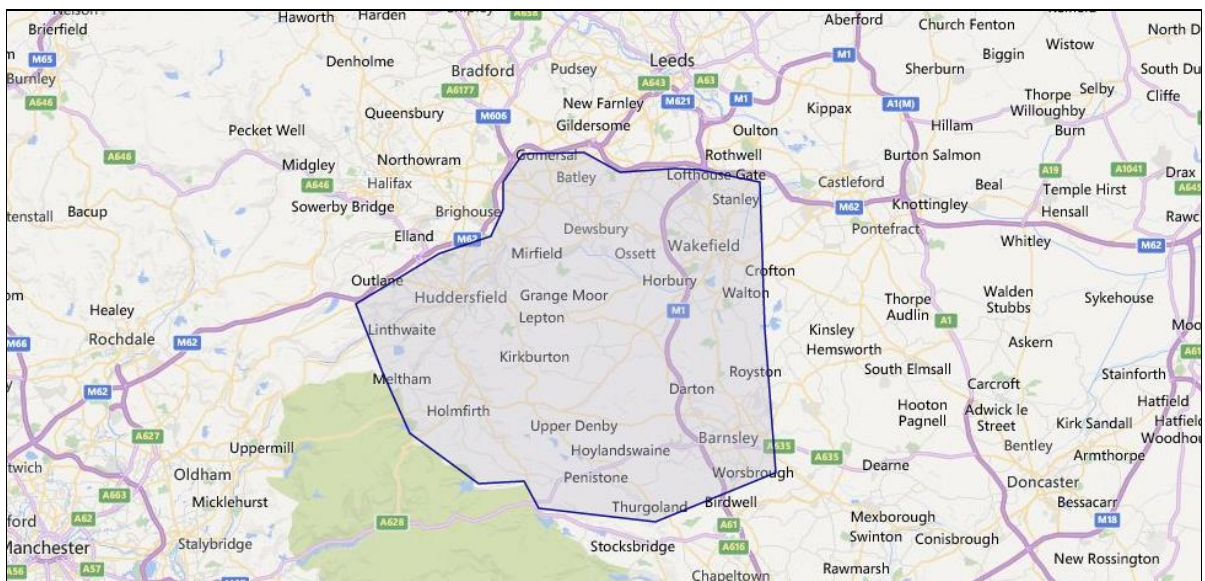
developers are currently exercising caution so occupiers requiring Grade A space into 2017 may need to pursue the pre-let route unless this is addressed.

Headline prime rents remained unchanged at £27.00 per sq ft during Q2 2016. The new high quality space coming to the market should support headline rents.

In line with some other markets, investment activity was relatively subdued in Q2 as the EU referendum came into sight. The largest transaction was Leeds City Council's purchase of 3 Sovereign Square for £43.75m reflecting 5.40% net initial yield. The mid 2016 total stands at £99m with a further circa £15m under offer. Prime yields were unchanged over the quarter and remained at 5.25% but are expected to soften during H2 2016.

2.2 Sub-Regional Market Trends

This section of the report outlines the historical and current market trends within a regional search area which is considered to provide competition to any stock developed at Clayton West. Whilst this search area is larger than the identified 'South Kirklees Functional Market Economic Area'¹ and the wider Kirklees region, the search area contained in the map below has been derived through discussions with agents who are active within the area. It is considered that if an occupier publishes a requirement for the Kirklees area then the occupier would consider locating within any new good specification space as shown on the map below.



Based on the identified search area a supply and demand analysis has been undertaken to analyse the employment stock which will provide competition to any employment scheme which is developed at the subject site.

¹ Kirklees Employment Market Strength Assessment, GVA, September 2015.

2.2.1 Sub-Regional Supply

Existing industrial property currently available for sale or to let in the identified sub-regional search area totals 278,000 sq m (2.99 million sq ft) according to Co-Star. A breakdown of the current supply is provided in the chart below.

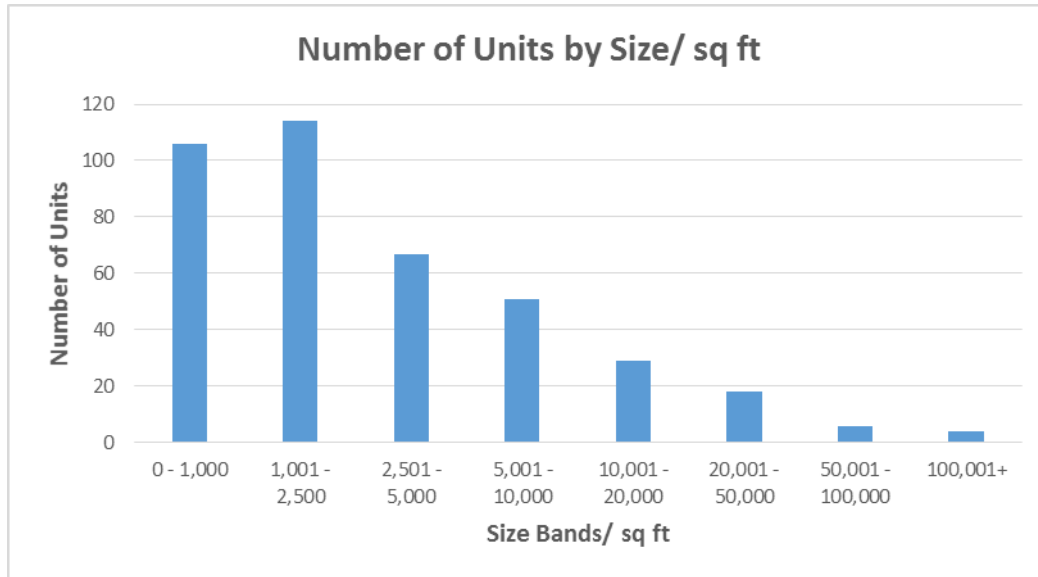


Chart 1 – Total Supply split by size of Unit (Source: Co-Star)

Chart 1 shows that there is currently available industrial supply across all the size increments, however, the highest number of vacant units is in the 93 sq m (1,001 sq ft) to 232 sq m (2,500 sq ft) category with 114 units currently available. The next highest is the zero sq m (zero sq ft) to 92.9 sq m (1,000 sq ft) category, which has 106 units currently available. It should be noted that whilst there seems to be a high number of units under 465 sq m (5,000 sq ft) currently available, they provide a mixed quality of accommodation with the majority providing dated, poor quality accommodation.

In terms of the breakdown of units below 929.03 sq m (10,000 sq ft) category there are a total of 338 units currently available in the search area. The breakdown of these is as follows:

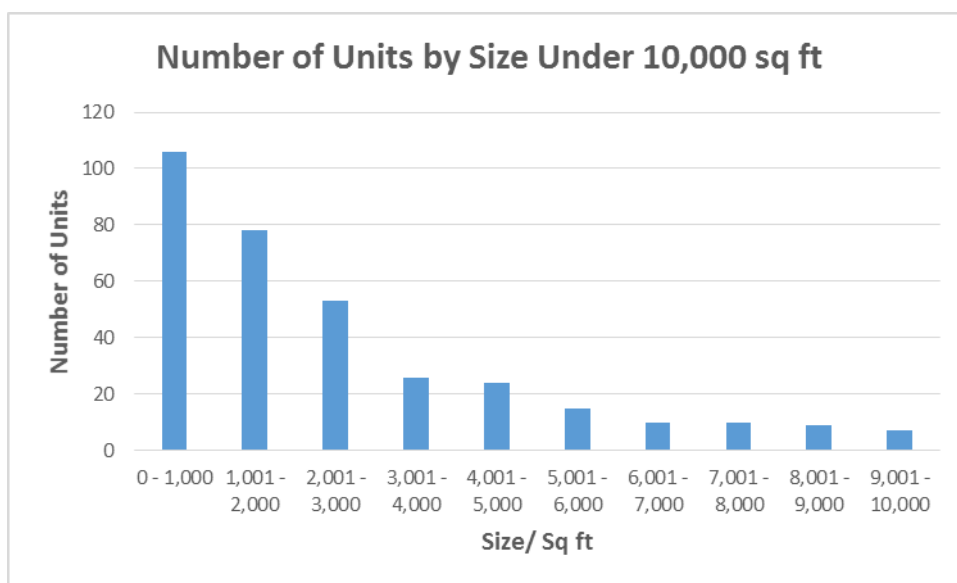


Chart 2 – Breakdown of Units by size of Property (Source: Co-Star Focus)

As can be seen from Chart 2, 54% (184 units) of units are currently available in the zero sq m (zero sq ft) to 185.89 sq m (2,000 sq ft) category. The next highest is 16% (53 units) which are currently available in the 185.89 sq m (2,001 sq ft) to 278.70 sq m (3,000 sq ft) size band.

The existing level of supply within the identified search area is 278,000 sq m (2.99 million sq ft). The majority of space is provided in the sub 929.03 sq m (10,000 sq ft) with a total of 338 units (86%) currently available, however the majority is provided in dated poor quality accommodation.

2.2.2 Sub-Regional Demand

In terms of the take up of commercial floorspace, over the five year period 2011 – 2015, in the identified sub-regional search area this is summarised in the chart below. It can be seen that the largest take up was in 2014, where over 90,500 sq m (974,000 sq ft) of deals were agreed for commercial space in the search area. Take up in 2013 was circa 89,900 sq m (968,000 sq ft)².

It is interesting to note that the search has revealed no take up of existing stock, office or industrial, in Clayton West over the five year period.

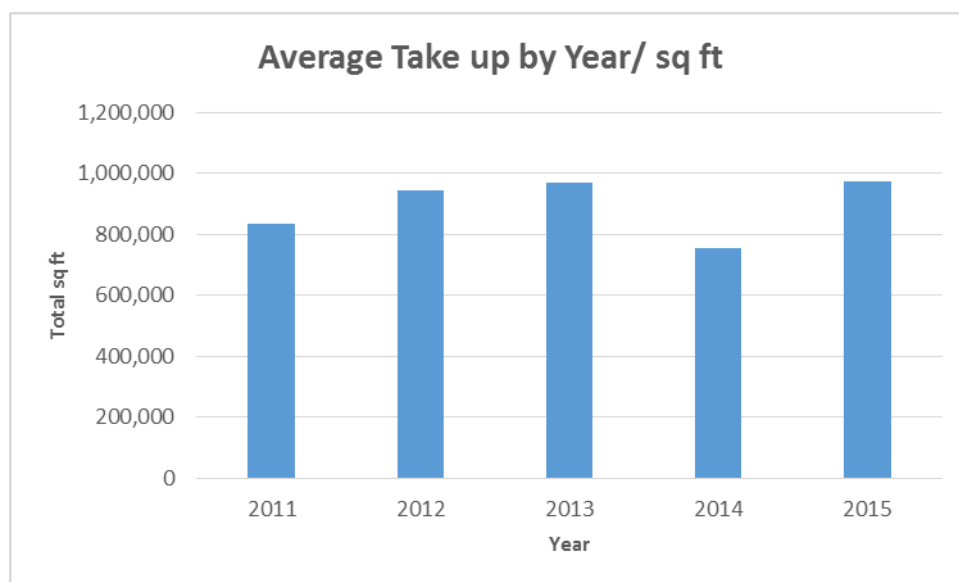


Chart 3 – Take up by Year (Source: Co-Star Focus)

Total take up in the identified sub-regional area over the five year period is 416,000 sq m (4.48 million sq ft) this equates to an average of 83,100 sq m (895,000 sq ft) per annum. If take up continued at this level then the current supply of existing stock currently available on the market would all be taken in just over three years.

Chart 4, overleaf, shows the number of transactions per year over the previous five years within the identified sub-regional area. It shows that the number of transactions have remained fairly constant throughout the period with an average of circa 120 transactions per annum. The year 2012 saw the lowest number of transactions with just 102.

² Please note that this figure is different from that previously provided during the last submission. The Co-Star database was updated in Summer 2016 meaning that the figures have been updated since the last report was provided.

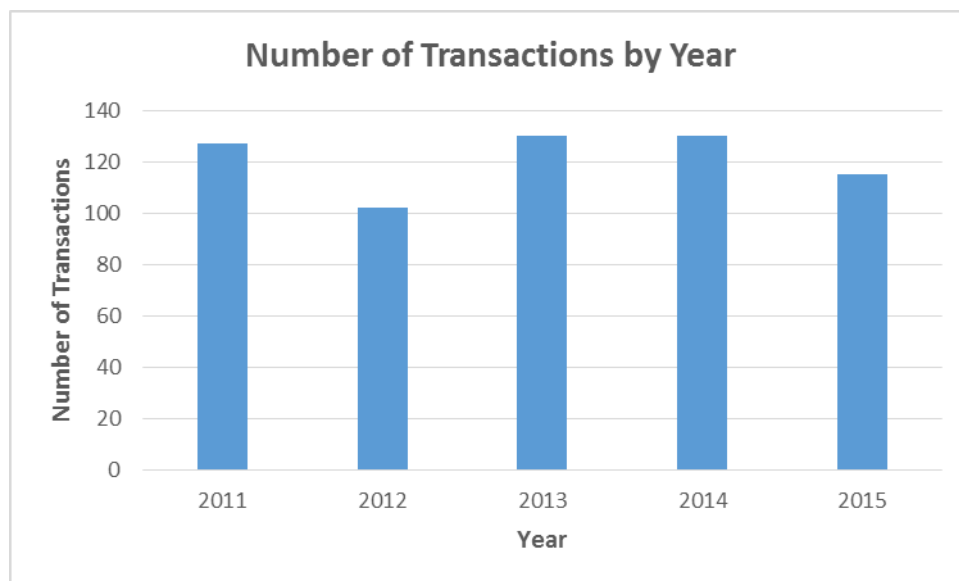


Chart 4 – Number of Transactions per Year (Source: Co-Star Focus)

2.2.3 Sub-Regional Conclusion

The above analysis has shown that there is currently 278,000 sq m (2.99 million sq ft) of available stock within the identified sub-regional search area split across 395 different units. The majority, 338 units, provide below 929 sq m (10,000 sq ft) of accommodation, the majority of which is dated stock.

A review of the demand in the sub-regional area over the five year period from 2011-2015 established that the average take up was 83,100 sq m (895,000 sq ft) per annum. If this average take up level continued then the existing stock would be taken up in just over three years.

Whilst the majority of transactions are for space below 929.03 sq m (10,000 sq ft), there has also been demand for space across all size categories.

2.3 Kirklees Region

2.3.1 Employment Land

There is a total of 59,000 sq m (640,000 sq ft) of employment floorspace currently available in the Kirklees region³. In terms of the size split of floorspace and the grade of the floorspace this mirrors that which is provided in the wider sub-region with the majority of space being provided in the 93 sq m (1,001 sq ft) to 232 sq m (2,500 sq ft) category and the majority of space available is lower grade dated poor quality accommodation.

In terms of employment land which is in the pipeline, according to the Employment Needs Assessment Technical Paper dated November 2016 there is a total of 107.24 hectares (265 acres) which has been earmarked for development within Kirklees. Of this, 84.27 hectares (208 acres) are readily available for development with a further 20.84 hectares (51 acres) committed. The report splits the different areas of Kirklees into different functional market economic areas (FEA) of Huddersfield, North Kirklees and South Kirklees. The Employment Needs Assessment Technical Paper also provides a breakdown of the allocated current employment land supply across these different Kirklees FEAs. There is a total current employment land supply of 61.58 hectares (152 acres) in the Huddersfield functional market economic area, a total of 33.83 hectares (84

³ Co-Star online availability search <http://gateway.costar.com/Gateway/>

acres) in North Kirklees and only 11.83 hectares (29 acres) in the South Kirklees functional market economic area. A further breakdown of this available land in South Kirklees is provided in section 2.4.3.

The take up over the period 2004/5 to 2014/15 in Kirklees region is shown in the table below. This is taken from the Employment Needs Assessment Technical Paper dated November 2016 and shows that over the ten year period take up has slowly fallen from the high experienced over 2004/5.

| Year | Take up/ Hectares | Take up/ Acres |
|----------------------|-------------------|----------------|
| 2004/5 | 19.86 | 49.08 |
| 2005/6 | 0.51 | 1.26 |
| 2006/7 | 15.70 | 38.80 |
| 2007/8 | 13.33 | 32.94 |
| 2008/9 | 15.44 | 38.15 |
| 2009/10 | 9.00 | 22.24 |
| 2010/11 & 2011/12 | 10.08 | 24.91 |
| 2012/13 | 8.11 | 20.04 |
| 2013/14 | 8.06 | 19.92 |
| 2014/15 | 7.04 | 17.40 |
| Average | 10.71 | 26.47 |

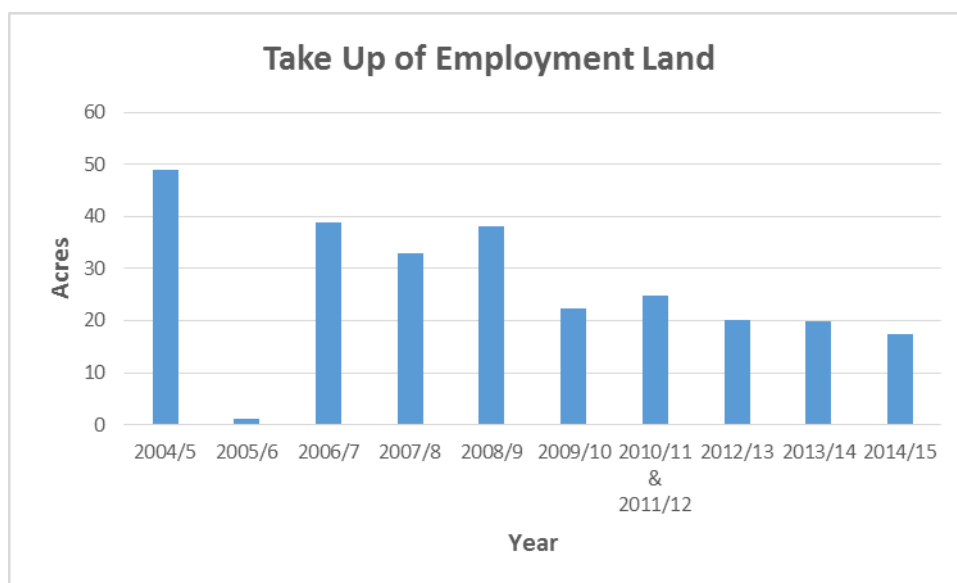


Chart 5 – Take up of Employment Land (Source: Kirklees Local Plan Annual Monitoring Report)

The chart above shows that the take up of employment land has remained fairly constant since 2009/10, however this is below the levels experienced in the period 2004/5 to 2008/9. The level of take up experienced in 2008/9 is surprising given that this was during the last recession. However the difference between the take up level in 2007/8 and 2008/9 is only 5 acres and this could be accounted for by one single transaction compared with the previous year.

In terms of the future take up of employment land little development has occurred in recent years (equating to only an average of only 20 acres of take up during 2012/13, 2013/14 and 2014/15) owing to a lack of demand from existing occupiers for grow on space with only the prime sites developed for employment within the Kirklees region. However the recent continued growth of the economy has led to an increase in occupier confidence leading to the expansion of businesses and requirements, although the potential impacts of Brexit remain to be seen. Where occupiers have requirements they have initially looked at the existing stock to satisfy

their requirements. Conversations with JLL industrial agents have established that this increase in demand for existing stock has led to inflationary pressure on rents, which has made development of employment stock more viable within Kirklees. Additionally much of the remaining stock within the Kirklees region is dated and second hand and therefore of poor quality not satisfying the requirements of modern employment occupiers. With this in mind it is considered that the take up of employment land will increase in order to develop new units to satisfy the requirements of existing occupiers who wish to expand their operations.

2.3.2 Demand

Whilst it is very difficult to quantify the total amount of latent demand for commercial space in Kirklees, a review of the Kirklees Employers Survey 2013 (the latest available) has established that employers expect their workforces to increase over the next few years. Also 15% of all employers in Kirklees have said that they will require further land or premises within the next three to five years. Of those which are planning to expand 73% will remain in the wider area.

Local and regional businesses do not tend to publish their requirements for extra space and therefore it is difficult to quantify the total amount of latent demand which is currently in the market. However, discussions with local agents, acting on behalf of the CWDC, and local occupiers have established that there is a considerable amount of latent demand within Kirklees.

| Occupier | Current Location | Size of Requirement/sq ft | Use Class of Requirement |
|---------------------------|--------------------------------|---------------------------|--------------------------|
| Cummins | Huddersfield | 180,000 | B2 |
| AUS | Clayton West | 15,000 | B8 |
| Newburn Power Rental | South Kirkby | Unknown | B2 |
| Pink Link | Oakes | Unknown | B8 |
| R&D Sheetmetal | Huddersfield | 20,000 | B2 |
| Agrosmart | Clayton West | 30,000 | B2 |
| Confidential | Huddersfield | 40,000 | B8 |
| Wellhouse Leisure | Shelley | 15,000 | B8 |
| Frame Tech Structures Ltd | Ravensthorpe Industrial Estate | Unknown | B2 |
| Phoenix Textiles | Clayton West | 80,000 | B2 |
| Staples Group | Huddersfield | 30,000 | B2 |
| Manzana Contracts | Milnsbridge | Unknown | B8 |
| Pet Brands | Ravensthorpe | 70,000 | B8 |
| Buy it Direct | Huddersfield | 350,000 | B8 |
| Time 4 Sleep Ltd | Milnsbridge | 40,000 | B2 |
| Delta Adhesives | Barnsley | 20,000 | B2 |
| Abode | Huddersfield | 25,000 | B1/B2 |
| Alco Valves | Brighouse | 60,000 | B2 |
| Wesco Aircraft Ltd | Clayton West | 100,000 | B2 |
| Macs Trucks | Outlane | 25,000 | A1 |
| Melett | Barnsley | 60,000 | B2 |
| Connection Seating | Dewsbury | 100,000 | B2 |
| Storm Trading | Clayton West | 10,000 | B1 |
| Ardor Engineering | Bradford | 20,000 | B2 |
| Total | | 1,290,000 | |

The above table contains a total of 24 active requirements which equate to 120,000 sq m (1.29 million sq ft) of floorspace within Kirklees. It is considered that these occupiers would wish to remain in their current location in order to maintain the satisfaction of employees. However if suitable accommodation cannot be found within the

immediate locality to satisfy the requirements then it will be necessary for the occupiers to widen their search area.

Whilst it is possible that some of the above requirements could be satisfied by existing supply many of the requirements above have been in the market for some time without finding any space to satisfy their requirement. It is also interesting to note that there are three requirements in the table above which are over 9,290 sq m (100,000 sq ft) which cannot currently be satisfied within Kirklees. In addition to the above JLL are also aware of a large requirement for over 9,290 sq m (100,000 sq ft) from Adare, based in Clayton West, who have agreed a deal in principle to move to a business park outside of the Kirklees District.

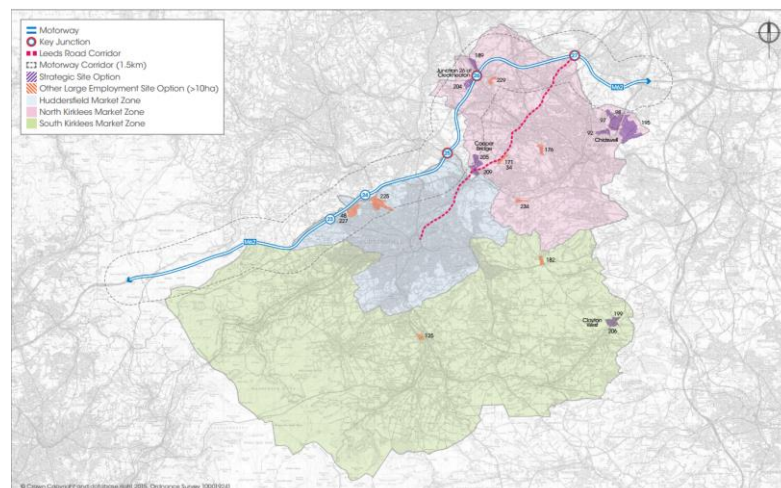
It can be seen from the above that there are a total of 5 occupier requirements currently active within the Clayton West area which equates to a total floorspace requirement of 21,832 sq m (235,000 sq ft). It is considered that these requirements would only be satisfied by the provision of new, good specification employment space. Once an employment centre of sufficient critical mass has been created this will also lead to further requirements, which are yet to be published, from occupiers who are already present within South Kirklees and Clayton West.

The smallest published requirement is 1,393 sq m (15,000 sq ft), however, the analysis contained in section 2.2.2 established that the average size of deal in the search area was 604 sq m (6,500 sq ft). It is considered that the majority of requirements under 929 sq m (10,000 sq ft) are not published and therefore there will be some latent demand in addition to the above which will be captured by the provision of good quality employment accommodation across the Kirklees region.

Looking at the use classes above, 16 (64%) of the requirements are currently from B2 use class operators. There are 8 B8 operators and only one B1 operator. There is also a truck sales operator who would operate under the sui-generis use class.

2.4 South Kirklees Functional Market Economic Area

The Kirklees Employment Market Strength Assessment dated September 2015 undertaken by GVA reviews the market strength of the employment sector within Kirklees. The report splits the different areas of Kirklees into different functional market economic areas (FEA). Clayton West lies within the South Kirklees FEA. The South Kirklees FEA is hindered by constraining characteristics which are limiting the growth of the employment sector. The constraints include the topography and rural nature of the area, market perception amongst occupiers and the presence of competing sites. The map of the South Kirklees economic area is contained below (shaded green):



2.4.1 Supply

In terms of availability of stock in South Kirklees FEA there is little stock available, only 16,400 sq m (177,000 sq ft)⁴, which is symptomatic of the constraining characteristics of South Kirklees FEA. These constraints are limiting the growth of the employment sector in South Kirklees. The constraints include the topography and rural nature of the area, market perception amongst occupiers that South Kirklees is an inaccessible rural area and the presence of competing sites. These constraints mean that many of the residents in the sub region have had to travel to work either to the wider Kirklees region or outside of the Kirklees region which does not mean that the employees can travel to work sustainably by either walking or using public transport.

South Kirklees has a number of natural constraints including topography and rural nature of the area. This is particularly true in the west of the FEA around the Honley and Kirkburton and Denby Dale areas where the topography of the area has meant that the strategic access is poorer when compared to the rest of the FEAs in the Kirklees region. The topography and strategic access has meant that other areas of Kirklees, particularly the Huddersfield and East Kirklees FEAs, have been more attractive to large regional and national occupiers as verified through discussions with agents and occupiers.

Discussions with agents and occupiers have revealed that the South Kirklees FEA tends to cater for more local market demand with larger national occupiers preferring to be located in the Huddersfield and East Kirklees FEAs. This is mainly due to the provision of good quality stock within the area. However the east of the South Kirklees FEA has the benefit of the Wakefield Road Corridor which is the most advantageous location, in terms of strategic access, within South Kirklees. This has led to Clayton West being identified the key strategic site to deliver employment development over the plan period by the Council. During the conversations with commercial property agents Clayton West was referenced as a key strategic opportunity if employment growth is to take place in South Kirklees FEA.

In terms of the current employment land supply in the South Kirklees FEA there is a total of just 8.28 hectares (20 acres)⁵ available for development. The table below provides a summary of the land which is identified in the employment land supply:

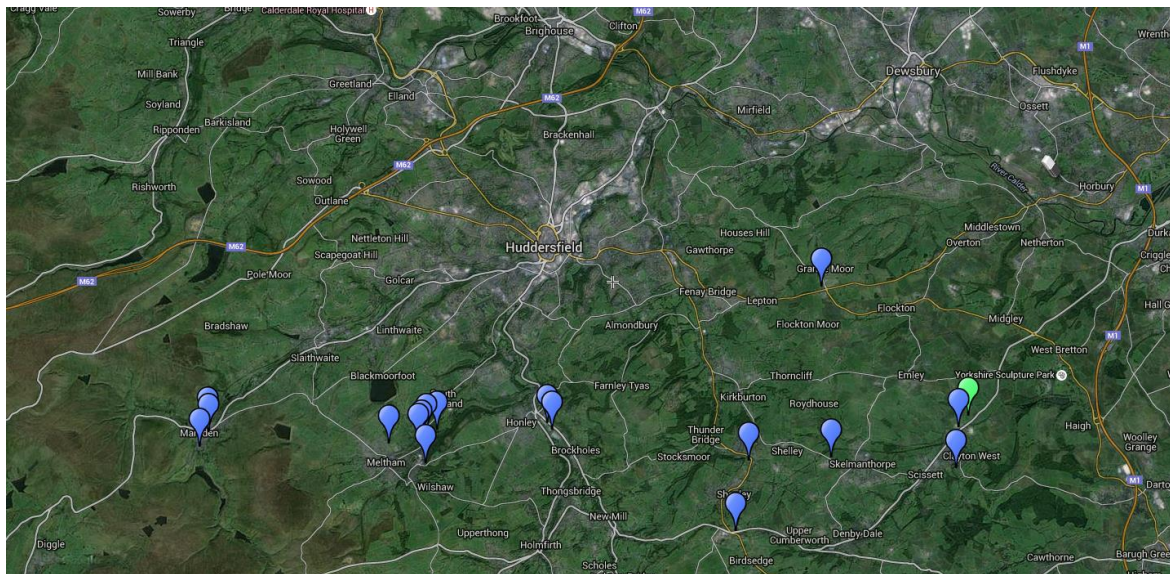
| Size of Site/ Ha | Total/ Ha | Number of Sites |
|------------------|-------------|-----------------|
| Less than 0.4 | 1.24 | 10 |
| 0.4 to 3.99 | 7.04 | 6 |
| 4.0 to 7.99 | 0.00 | 0 |
| 8.0 and over | 0.00 | 0 |
| Total | 8.28 | 20 |

Source: Employment Needs Assessment, November 2016

⁴ Co-Star online availability search <http://gateway.costar.com/Gateway/>

⁵ Kirklees Local Plan – Technical Paper: Employment Needs Assessment, November 2016

The map below shows the locations in the South Kirklees FEA where the sites are currently allocated for employment. It can be seen that the majority of sites are situated in the west of the FEA which is constrained by topographical and accessibility issues and therefore these are unlikely to appeal to occupiers. The green paddle symbolises the subject site.



The total land which is currently available for employment development in South Kirklees is split across 16 sites with no sites currently available over 4 hectares (9.88 acres) which means that large requirements for space over 4,645 sq m (50,000 sq ft) cannot be accommodated. The average size of the sites is 0.65 hectares (1.61 acres) which would satisfy a requirement of no more than 2,322 sq m (25,000 sq ft). This has meant that larger requirements have not been able to be satisfied within the Kirklees FEA and has limited the growth of existing businesses. It should be noted that there are at least three requirements for space over 4,645 sq m (50,000 sq ft) in Clayton West which are currently not able to be satisfied by the Council's identified land supply.

2.4.2 Demand

Take up of employment land within South Kirklees has, historically, lagged behind the North and East sub regions of the wider Kirklees region. Meltham and Denby Dale have seen a total take up of 3-4ha of employment land taken from 2006 - 2014, and Honley and Kirkburton both seeing a take up of 2-3ha⁶. Additionally there has been some loss of employment land due to residential development. This is particularly true in Holme Valley South where over 10 ha (24.71 acres) were lost along with 5 ha (12.36 acres) in Denby Dale and 4 ha (9.88 acres) in Kirburton.

The above figures are unsurprising given the identified constraints of South Kirklees and the lack of viable commercial development opportunities within the FEA. It is interesting to note that there has been more allocated commercial land lost for residential development than there has been developed out for commercial across the sub region. This highlights the fact that homeowners in South Kirklees have to travel to the wider Kirklees region or further afield in order to reach their place on employment.

In terms of occupier requirements a review of the requirements contained within section 2.3.2 has established that there is a total of 6 requirements currently active within the South Kirklees area as follows:

⁶ Kirklees Employment Market Strength Assessment, GVA, September 2015.

| Occupier | Current Location | Size of Requirement/sq ft | Use Class of Requirement |
|--------------------|------------------|---------------------------|--------------------------|
| AUS | Clayton West | 15,000 | B8 |
| Agrosmart | Clayton West | 30,000 | B2 |
| Wellhouse Leisure | Shelley | 15,000 | B8 |
| Phoenix Textiles | Clayton West | 80,000 | B2 |
| Wesco Aircraft Ltd | Clayton West | 100,000 | B8 |
| Storm Trading | Clayton West | 10,000 | B8 |
| Total | | 250,000 sq ft | |

It can be seen from the above that there is a total of 23,225 sq m (250,000 sq ft) of requirements for employment space currently active within the South Kirklees FEA which is spread across a total of 6 requirements. All of these requirements are over 929 sq m (10,000 sq ft) and can only be satisfied through the provision of good quality new employment space within the South Kirklees FEA. It is also interesting to note that 5 of the total requirements are from occupiers who operate in Clayton West, who wish to stay in the immediate locality but there are no suitable premises available and there is no land currently allocated to satisfy the requirements over 4,645 sq m (50,000 sq ft). However if the subject site was allocated for employment development then these requirements could be satisfied.

JLL are also aware of a large requirement of circa 9,290 sq m (100,000 sq ft) which has entered the market from Adare to move from their current premises in Clayton West. However it is understood that Adare have now shortlisted a site in the Wakefield District although Adare's preference was to stay within Clayton West but there were no opportunities for them to relocate within the Town.

In addition to the above there is a 5,574 sq m (60,000 sq ft) requirement from Mellett who are currently located in Barnsley. Mellett were originally located in Clayton West but had to move to Barnsley, in 2011, because of the lack of suitable accommodation within the Town. Mellett would be a key target for the subject in the future.

All of the requirements are for employment space over 929 sq m (10,000 sq ft). It is unusual for requirements under 929 sq m (10,000 sq ft) to be published by occupiers, however it is considered that there is substantial latent demand within this size bracket from occupiers within the South Kirklees FEA but it is extremely difficult to quantify the level of this demand. Occupiers of this size do not tend to publish their requirements or employ an employer's property agent to find them space as this is costly. Also this size of requirement does not create sufficient critical mass on a site in order to persuade a developer to develop space to their requirements. Therefore this size of occupiers usually reacts to space which is provided speculatively within the market.

It is clear that irrespective of the size of requirement there is considerable latent demand within the South Kirklees FEA which will be satisfied by the provision of good quality employment space within an accessible location.

2.4.3 South Kirklees FEA Conclusion

The above analysis has shown that there are no large sites available or promoted for employment development meaning that larger requirements cannot currently be accommodated within South Kirklees.

There is considerable demand currently in the South Kirklees FEA with a total of 6 active requirements equating to a total of 23,225 sq m (250,000 sq ft) of employment space. All of these requirements cannot currently be satisfied by the current employment land supply within South Kirklees FEA, particularly those over 4,645 sq m (50,000 sq ft).

Given the constraints and inaccessibility of much of the South Kirklees FEA careful consideration needs to be given to the location of sites which could be allocated for employment development. Any sites allocated should be accessible within the east of the South Kirklees FEA along Wakefield Road.

2.5 Clayton West

2.5.1 Supply

With regard to Clayton West, our availability search and site visit revealed that there is a total of circa 1,858 sq m (20,000 sq ft)⁷ of industrial accommodation currently available which offers a reasonable specification of space. This is split between two units, one on Colliers Way and one off Wakefield Road. Both these are situated to the west of the subject site. The available unit on Colliers Way provides up to 1,486 sq m (16,000 sq ft) of industrial property and the other unit, on Wakefield Road, provides 372 sq m (4,000 sq ft) of industrial accommodation.

There is a very limited amount of office space currently in Clayton West and, subsequently, there are very few office occupiers in the town. However, it is clear that, historically, there has been little demand from office occupiers to drive office development in this location.

In terms of future supply there are three sites which are contained in the current identified employment land supply in Clayton West. However it should be noted that none of these sites are currently being marketed and therefore no allocated employment sites are immediately available in Clayton West. Additionally JLL are aware that the former Adare site is now proposed to be released for residential further reducing the supply of employment land within Clayton West. The details of the identified employment land sites are as follows:

- **Wesco Aircraft Ltd, Park Mill Way, Clayton West** – This 0.13 hectare (0.32 acre) site is a brownfield site which has been earmarked as expansion land for the existing occupier. The land could provide a total of 1,275 sq m (13,700 sq ft) of accommodation. Given that this is owned by the adjacent landowner, it is anticipated that this would only be developed should the occupier wish to expand. However Wesco Aircraft Ltd currently has a published 9,290 sq m (100,000 sq ft) requirement for new space within Clayton West which indicates that this expansion land is not suitable for expansion of their operations.
- **Aqua Interiors, Green Park House, 2a Colliers Way, Clayton West** – This 0.20 hectare (0.50 acre) site is identified in the UDP as expansion land. The site is brownfield and has a capacity of only 1,717 sq m (18,481 sq ft). Given that this is owned by the adjacent landowner, it is anticipated that this would only be developed should the occupier wish to expand.
- **Spring Grove Mills, Wakefield Road, Clayton West** – This brownfield site has an expired planning permission for 2,180 sq m (23,465 sq ft) of industrial development. The site has been classified as being available for development and has not been earmarked for expansion for an adjacent occupier.

Two of the above sites have been earmarked for expansion of an existing occupier with only one, Spring Grove Mills, currently available for development on the open market. Spring Grove Mills can provide a maximum of 2,180 sq m (23,465 sq ft) of industrial development. It is anticipated that if this site was developed an adjacent business who is occupying dated stock would look to relocate in to the new stock provided. This would therefore leave a shortage of good quality stock around Clayton West.

⁷ Co-Star online availability search <http://gateway.costar.com/Gateway/>

2.5.2 Demand

There are a total of 5 occupier requirements currently active within the Clayton West area. The total floorspace attributable to these requirements is 21,832 sq m (235,000 sq ft). It is considered that these requirements would only be satisfied by the provision of new, good specification employment space. However there are only three sites which are allocated for employment development within Clayton West. These have the potential to provide a total of 5,170 sq m (55,000 sq ft) of employment accommodation, not enough to capture the current published requirements which are active in Clayton West. It is also worth noting that whilst these sites have been earmarked for expansion of existing firms, at least one, Wesco Aircraft Ltd, has published a requirement which suggests that the land identified for expansion is not fit for their purpose. The other two remaining identified land parcels could satisfy the expansion of the existing occupiers however neither of these occupiers have a published requirement for space within Clayton West.

2.5.3 Clayton West Conclusion

Clayton West is situated in the east of the South Kirklees FEA which is the most attractive location for employment occupiers within the FEA as the site is the most accessible within the sub-region around 10 minutes from the M1 motorway along the Wakefield Road corridor. However the analysis of the property market in Clayton West has revealed that there is very little available employment space within Clayton West and the small amount of available employment land means that the amount of employment space cannot be increased significantly.

There is a total 5 occupier requirements currently from occupiers who are present in Clayton West totalling 21,832 sq m (235,000 sq ft). It has been established through discussions undertaken between the promoters of the subject site and the occupiers with published requirements that the occupiers wish to stay within the Clayton West area. This is due to not wanting to unsettle the existing workforce and having to find new skilled trained employees. However currently there is no accommodation which can satisfy their requirements and there is no land identified for employment development of sufficient scale which can be developed for employment space to satisfy the requirements. This has been demonstrated by the fact that the Adare requirement could not be satisfied within Clayton West and consequently they have shortlisted a site which is out of the Kirklees District.

The subject site at Clayton West is the optimum location within the South Kirklees FEA situated in close proximity to the M1 motorway and along the Wakefield Road corridor and could be developed for employment to satisfy the latent demand which is currently available in the market. Additionally, once the majority of the existing requirements have been satisfied on the site this will create sufficient critical mass on the site to attract latent demand from other occupiers and allow the employment sector in South Kirklees FEA to grow.

This continued growth of the employment sector within the South Kirklees FEA will be generated by the continued growth of the economy which will lead to an increase in occupier confidence leading to the expansion of businesses and requirements. Additionally a review of the Kirklees Employers Survey 2013 (the latest available) has identified that 21% of employers expected their workforce to increase over the next 12 months, with 23% in the manufacturing sector.

Fifteen per cent of all employers in Kirklees are of the opinion that their business will require further land in the next three to five years. Additional land or space is most likely to be needed for warehousing and storage (40% of those requiring more space), with 35% of employers that need more space requiring additional office space. One in six (17%) require more manufacturing space. Of those requiring more land or space, 31% will remain at their current location and expand there. More than half (57%) will move. The majority of those planning to relocate as a result of the need for extra space (73%) will remain within the District. Just 9% are likely to leave

Kirklees, with the remaining 18% as yet unsure. In aggregate, including those planning to relocate to gain more space, 17%, circa 1,650, of all employers in Kirklees may relocate within the next three to five years.

2.6 Review of Historic Large Scale Requirements

In light of the Adare requirement not being able to be satisfied within the Kirklees District JLL have also undertaken a review of the large scale industrial lettings of over 9,290 sq m (100,000 sq ft) which have been agreed on the Yorkshire market during the period 2011 – 2015. The take up of commercial floorspace over the period is summarised in the chart below. It can be seen that the take up per annum over the previous five years has grown to a peak of over 250,000 sq m (2.70 million sq ft) of deals in 2015. The average take up per annum for the five year period is 183,000 sq m (1.97 million sq ft). The total number of transactions over the period is 48 at an average of c. 10 per annum.

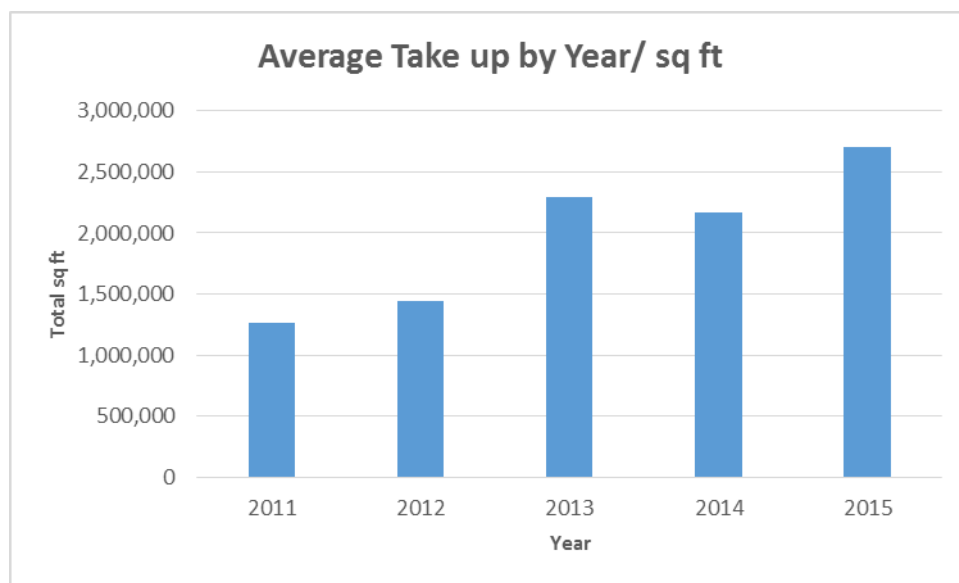


Chart 6 – Take up by Year (Source: Co-Star Focus)

In terms of the average size of the transaction for Yorkshire and the Humber over the five year period this equates to 18,860 sq m (203,000 sq ft).

JLL have also undertaken a search which reviews the transactions over 9,290 sq m (100,000 sq ft) which have taken place in West and South Yorkshire. 86% (78,590 sq m (8.46 million sq ft)) of the total floorspace that was transacted in deals over 9,290 sq m (100,000 sq ft) was within the West and South Yorkshire sub region over the five year period. This equates to an average take up of 155,000 sq m (1.67 million sq ft) per annum. The total number of transactions within the sub-region is 40 which equates to 8 per annum. The average transaction size for the sub region is 19,600 sq m (211,000 sq ft).

Whilst the above shows that there is strong demand for large scale industrial uses within West and South Yorkshire it is interesting to note that there have been no large scale lettings for industrial property over 9,290 sq m (100,000 sq ft) over the five year period within the South Kirklees FEA. However discussions with a number of occupiers within the Kirklees District have established that there are over five requirements (including Adare) totalling space of 79,000 sq m (850,000 sq ft) for space over 9,290 sq m (100,000 sq ft) which could be satisfied by the provision of modern large scale industrial space within the Kirklees District.

As has been shown by the Adare requirement there is very little opportunity within Kirklees to provide space to satisfy these requirements and therefore these requirements are having to be satisfied outside of the Kirklees District. Full scale redevelopment of the whole of the subject site offers the opportunity to secure the larger

scale requirements within the Kirklees District. A smaller scale development, such as that being proposed by the Council, may not allow the larger scale developments to be satisfied which is explored further in section 3.5 of this report.

3 Site and Building Requirements

3.1 Site Characteristics

The site is situated at the northeastern edge of Clayton West, within the Wakefield Road corridor, which is the closest site to the M1 Motorway within the South Kirklees FEA. The subject site lies to the north and south of the A636 (Wakefield Road) and is circa 8 miles and 10 minutes' drive to the southwest of junction 39 of the M1 Motorway. This location and scale of the site gives the subject an advantage over the existing commercial property within Clayton West, providing the opportunity to develop a high quality business park of sufficient scale to attract existing occupiers already present in Clayton West, South Kirklees FEA, wider Kirklees and the wider identified sub-region, as well as new businesses who are looking to move into the area.

The distance from the motorway network would preclude large scale distribution operators locating at the subject site as the location and current fuel prices would add significant operational costs when compared to competing sites which are closer to the M1, including Markham Vale by Henry Boot. In addition to Markham Vale, there is also 22 acres of development land currently available at Silkwood Park, which is adjacent to Junction 40 of the M1 Motorway, which is better placed than Clayton West to take advantage of any large scale distribution requirements which come to the market. However, it is considered that the site would be appropriate for smaller scale B8 occupiers and B2 operators who wish to remain in the South Kirklees FEA or new occupiers who want to locate within South Kirklees. It is interesting to note that there are at least three large scale requirements (over 2,787 sq m (30,000 sq ft)) for employment space within Clayton West.

The greenfield agricultural nature of the site means that the current access is provided by gates in to the individual fields or by single tracks. However an assessment undertaken by transport consultants, Fore Consulting, has established an appropriate and viable access solution for the site.

Given the constraints of the South Kirklees FEA particularly with regard to access the subject site is considered to offer a good opportunity for employment development given that the site is situated within the Wakefield Road corridor, which is the most accessible within the South Kirklees FEA. The site is also situated away from existing large scale residential on the eastern edge of Clayton West meaning that the site is accessible without attracting heavy goods traffic through the established residential areas. However the site is also situated to provide good transport and pedestrian connections to the Town.

3.2 Characteristics of Commercial Property Within Clayton West

3.2.1 Industrial Property

The majority of supply in Clayton West is of low quality stock which is currently occupied by local businesses. The stock provided is a mixture of converted mill space and dedicated industrial space. However, the majority of industrial space provided has been extended over a period of years leading to stock of varying ages and quality. The quality of the stock provided is best demonstrated by the fact that Wesco Aircraft Limited occupy some of the best accommodation in Clayton West but the site is split with the ancillary office element of the business situated more than 200 metres away from the industrial element on a separate site. This has led to Wesco Aircraft having a B8 requirement for circa 9,290 sq m (100,000 sq ft) of employment space.

In terms of the size of the existing industrial units provided the majority are below 1,860 sq m (20,000 sq ft). The majority of units over 1,860 sq m (20,000 sq ft) have been extended to provide the necessary amount of floorspace for occupiers. These extensions mean that many of the units now have insufficient parking or yard space and therefore if the existing occupiers want to expand they have to look for alternative accommodation,

however, there is very little space of this size and quality within Clayton West and occupiers could be forced to leave Kirklees in order to find appropriate industrial space.

3.2.2 Office Space

There is very little office space within Clayton West and no available space has been identified by the site visit or the online searches JLL have undertaken. However, the majority of office space provided consists of dated stock which is occupied by industrial occupiers using the space as ancillary to their operations. Additionally, there are some modern hybrid units which appear to be well occupied and provide a good standard of space, however this space is limited and there is currently no space available. It is clear from the lack of dedicated office space provided that there is currently little demand for dedicated office space within Clayton West, however, there is no office space available.

Should office space be provided in the early phases of the subject development this is likely to be as a result of a specific occupier requirement rather than the office space being provided on a speculative basis. However, once a critical mass of office occupiers has been established this may allow speculative office development.

3.3 Where Will Occupiers Come From?

It has already been established that the subject site offers a significant opportunity to grow the employment sector within the constrained South Kirklees FEA. Additionally there is considerable latent demand from occupiers for good quality commercial space at Clayton West, with a total of 5 Clayton West occupiers currently having requirements for a total of 21,832 sq m (235,000 sq ft) of employment accommodation. However all the requirements which have been published are for space over 929 sq m (10,000 sq ft). It is considered that the majority of requirements under 929 sq m (10,000 sq ft) are not published and there will be some latent demand in addition to the above which will be captured by the provision of good quality accommodation at the subject. However, it is very difficult to quantify the level of latent demand which might be attracted to the subject site.

The analysis has demonstrated that there is sufficient latent demand in the market to develop a critical mass of employment development at the subject site thus making a new business park a viable option for national and regional occupiers who have previously not considered the South Kirklees FEA. The subject site is situated on the Wakefield Road corridor which is the premium location in the South Kirklees FEA and will satisfy the latent demand which is currently present in Clayton West and the South Kirklees FEA. Once the business park has reached sufficient critical mass this location on the Wakefield Road corridor will continue to attract other occupiers who want to be located adjacent to fellow likeminded occupiers allowing the organic sustainable growth of the business park. This organic growth is likely to come from other occupiers currently present in the South Kirklees FEA along with new businesses who are looking to grow.

The organic growth of business parks can be referenced by case studies from established business parks elsewhere in the region. Henry Boot's Markham Vale business park took around five years to establish itself through the development of employment space once active requirements had been secured. However now that sufficient critical mass of occupiers has been reached speculative development is beginning to take place and the development is expected to grow organically attracting a range of local, regional and national occupiers.

Silkwood Park is another business park case study which offers good comparison to the subject. Silkwood Park comprised a greenfield development undertaken on a 40 hectare (98 acre) site adjacent to Junction 40 of the M1 motorway some 2 miles to the west of Wakefield city centre. The scheme took circa 10 years to initially create the critical mass of development to make speculative schemes viable rather than reacting to specific occupier requirements. The scheme has been undertaken as a mixed use development and in addition to office and industrial/distribution users has attracted Days Hotel, a Total Fitness Health Club and Benfield Toyota to

this location. Following bespoke developments for the likes of Ahead Distribution, Technal and Bezier there is some land still available (circa 3.64 hectares (9 acres)) however it is expected that this land will be taken up in the next five years. Additionally the developers of Silkwood Park are in advanced discussion with Adare in order to secure their requirement.

3.4 Employment Sectors Likely to be Attracted to the Subject Site

In terms of the employment sectors which are likely to be attracted to Clayton West, it is considered that commercial use classes B1, B2 and B8 occupiers are all likely to be attracted to the site. It is clear from the research undertaken that there is latent demand from all these use classes for space in the South Kirklees FEA. However, given the locational benefits of the subject site it is considered that more industrial occupiers will be attracted to the proposed scheme when compared to office occupiers. Clayton West has, historically, not been a location of choice for office occupiers and therefore very little office development has taken place.

In terms of what the composition of the business park might look like at the subject site the early elements of the site will be driven by occupier demand, until sufficient critical mass is reached. However, as the business park establishes itself speculative development will become more viable. JLL would expect a broad range of employment uses, through B1, B2 and B8 development, but with a heavier slant on B2 and B8, with limited B1. It is considered that a development of 10% B1 Office, 60% B2 Industrial and 30% B8 Warehouse and Distribution would be appropriate at the subject. However, in order for the business park to establish itself it will be necessary for the industrial units at the business park to have a hybrid B2 and B8 use classification in order to attract as many occupiers as possible.

3.5 Appropriate Amount of Floorspace at the Subject Site

The analysis has revealed that there is a considerable amount of published demand from existing occupiers within the South Kirklees FEA equating to 23,225 sq m (250,000 sq ft). Any employment development at the subject is likely to capture these requirements and therefore create a sufficient critical mass on the site.

Following the creation of the critical mass of employment occupiers on the site it is clear that the subject would become the employment centre of choice within the South Kirklees FEA taking advantage of the locational benefits of the site along with the presence of employment occupiers. Once the subject site has become the employment location of choice for occupiers it is clear that any B2 and smaller B8 occupiers with requirements for the Kirklees and wider sub-region would consider locating at the subject thus growing the floorspace at the site beyond the initial 23,225 sq m (250,000 sq ft) of requirements.

It is clear that given the lack of available commercial space within Clayton West and historically the lack of large sites to accommodate occupiers' requirements that the amount of latent demand has risen over the past decade to the current level of 23,225 sq m (250,000 sq ft) in South Kirklees FEA. It is unlikely once these requirements have been satisfied that there will be the same amount of requirements in the market in the short term, however the subject site will be well placed to capitalise on any requirements as they are bought to the market. In terms of the amount of take up per annum once a critical mass has been established at the subject site this is very difficult to accurately predict however an average of 2,322 sq m (25,000 sq ft) per annum could be achievable however there would be years when more than this is achieved. These levels of average take up have been experienced at both Markham Vale and Silkwood Park in recent years.

Whilst the allocation of a smaller area of the site for employment use would not affect the average take up per annum, a commercial development on the smaller area of the site could mean that the amount of business floorspace is not maximised at the site and therefore opportunities described above could be missed. Meaning that if the subject site was part way through the organic sustainable growth and Clayton West Development

Company Limited (CWDCL) were approached by an occupier with a large scale requirement of over 9,290 sq m (100,000 sq ft) then this could not be accommodated on the proposed smaller allocated site and the requirement could be lost to neighbouring Districts. If the full extent of the site being promoted by CWDCL was allocated then more floorspace could be accommodated on the site offering greater flexibility and allowing the development to react to the market and secure the larger scale requirements.

Conversely if a large scale requirement was secured early in the development process then the smaller scale requirements which have been highlighted in this report could be missed as they could not be accommodated within the smaller site.

The development of an employment centre such as the one proposed would take place over the Plan period up to 2031. It is considered that the initial requirements from the current Clayton West occupiers could be captured in the first five years of development. If total requirements of circa 2,322 sq m (25,000 sq ft) per annum could be captured once a critical mass has been established then this would mean that a further 27,870 to 37,160 sq m (300,000 to 400,000 sq ft) could be developed over the period of the development. A total employment development of 52,488 to 61,779 sq m (565,000 sq ft to 665,000 sq ft) could therefore be achievable at the subject site over the plan period.

3.6 Appropriate Development Density at the Subject Site

Kirklees Council have proposed to allocate a gross site area of 16.82 Ha (41.56 acres) which the Council anticipate to give a net site area of 14.89 Ha (36.79 acres) and a capacity of 52,115 sq m (560,980 sq ft). However in order to provide a high specification scheme which will attract occupiers the development will need to include areas for occupier car parking and ancillary yard space. Additionally areas for expansion will be of particular importance for potential large scale occupiers of over 9,290 sq m (100,000 sq ft) as these occupiers typically want areas for expansion of their operations.

KPP Architects in their site capacity assessment of the Council proposed site area have established that owing to the topography of the site, the need to provide SUDs and balancing ponds and the need to provide a high specification development have established the site capacity would be more likely to be in the order of 34,790 sq m (374,500 sq ft) of commercial development (depending on the final configuration).

The Council's assumed floor area is therefore high. Whilst this could be accounted for by the development of units with mezzanine levels, there are few modern occupiers who require mezzanine levels and therefore it is expected that only a small number of units provided on the site will, in fact, have mezzanine levels. The reason why mezzanine levels are often not popular with occupiers is that it restricts the floor to ceiling height of the property therefore reducing the mechanised storage space. Therefore if mezzanines were to be included across the scheme occupiers would require an increase in the height of the units meaning a greater visual impact on the landscape. Given the lack of demand for standard units with mezzanine floors the density will therefore be lower than that suggested by the Council in their proposed allocation.

KPP Architecture in their site capacity study for the larger site area, as previously proposed by CWDCL for allocation, have established that the development capacity of the larger site is in the order of 56,760 sq m (611,000 sq ft) of business development. As KPP's plans show this larger site allows greater flexibility to satisfy both the larger scale requirements of over 9,290 sq m (100,000 sq ft) and small scale requirements of under 929 sq m (10,000 sq ft) which will be attracted to the site during the plan period. It is considered that the proposed smaller site area would not allow as greater flexibility meaning that only small scale requirements or a single large scale requirement could be secured by the development.

4 Confidentiality and Publication

Finally, and in accordance with our normal practise, we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.



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