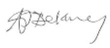
Accessible Report

Newcastle-under-Lyme Borough Council

Strategic Employment Site Assessment Report

April 2023

Quality Assurance

Date of Report	April 2023
Version	V1.1
Filename and path	"S:_Client Projects\2302 Strategic Employment Sites Assessment – 2023 Update_Newcastle-under-Lyme Council_Reports\230428 Strategic Employment Site Assessment Report_Newcastle-under-Lyme_V1.1.docx"
Prepared by	Davies Jiva, Consultant Andy Delaney, Director
Checked by	Andy Delaney, Director
Date	April 2023
Authorised by	
Date	April 2023

Limitation

This report has been prepared on behalf of and for the exclusive use of Aspinall Verdi Limited's Client and it is subject to and issued in connection with the provisions of the agreement between Aspinall Verdi Limited and its Client. Aspinall Verdi Limited accepts no liability or responsibility whatsoever for or in respect of any use of or reliance upon this report by any third party.

Contents

Report

1 Introduction

1.1 This study is an assessment and analysis of the potential strategic employment site(s) to support allocation in the Local Plan Review and is an update to the previous Employment Sites Assessment (2020) that Aspinall Verdi (AVL) did in partnership with Turley.

1.2 The assessments will concern 3 potential sites for allocation, these being:

- Land at J16 of the M6 – Ref: AB2
- Land at Barkers Wood, Keele (Keele University) – Ref: KL14 and KL15
- Land off Talke roundabout / A500 – Ref: TK30

Study Objective

1.3 The overall objective of the study update is to identify the need for strategic employment land across the borough of Newcastle-under-Lyme for the period 2020 to 2040, and justify the inclusion of (a) strategic employment site(s) for allocation. The study will also need to provide robust and up-to-date evidence to underpin the Local Plan ahead of the Examination in Public (EiP) during 2024.

Method

1.4 The method that we adopted was a s follows:

- Task 1 Commissioning Meeting and information Exchange; Summary note produced
- Task 2 Site visits to thoroughly assess deliverability – including topography, site conditions; access and location relative to strategic infrastructure and roads;
- Task 3 – Evidence Base
    - Document review of all the documents detailed above;
    - Preparation of Site Proforma to ensure consistency of analysis with comparative scoring use to quantify the analysis;
    - Market review using published data of recent transactions on a local, sub-regional and regional basis; also consider the current market in the North West region and any A50 sites in Derbyshire;
    - Consult with local agents active in the employment land market and also specialist industrial and logistics agents based in Manchester and Birmingham;
- Task 4 – Meetings with the site promoters and/ or their planning agents. This will be St Modwen, Keele University and Harworth. These meetings were a combination of online and in person.
- Task 5 - Development Appraisals of each site to determine viability.;
- Task 6 - Prepare deliverability analysis to determine preferred site (if needed);

1.5 Report that provides recommendation on selected site.

Structure of the Report

1.6 The remainder of this report is structured as follows;

- Section 2 – An introduction to the three sites;
- Section 3 – a consideration of what makes a site suitable for designation as a Strategic Site – what are the macro and micro factors;
- Section 4 – Establishing the sub-regional need. This section explores current documents such as the LEP economic strategy and the Reginal Strategic Sites study and assesses if there is support for large strategic sites in Newcastle-under-Lyme;
- Section 5 – Commercial Market Review – a consideration of the commercial market in the borough, with a focus on industrial and logistics sector;
- Section 6 – a consideration of Turley's current update on the employment land supply and its findings on possible shortfalls in supply;
- Section 7 – the current demand for large sites for 'Big Box' Logistics;;
- Section 8 – this covers whether there may be a case for exceptional circumstances in each report;
- Section 9 - this details the review of the sites and a consideration of their deliverability;
- Section 10 – details the assumptions made in the viability appraisals;
- Section 11 – provides the results of the appraisals; and
- Section 12 - provides our conclusion.

2 The Sites

2.1 The study is focused on, and includes the three sites described in the following paragraphs. We have analysed the potential of each of the sites to fulfil the role of strategic employment sites and we have also benchmarked against each other in terms of market attractiveness, physical characteristics and sustainability. We have applied the scoring system that has been adopted throughout the study. The results of this benchmarking and a consideration of the deliverability of each is considered in Section 8 of this report. The scoring proformas are provided as Appendix 2.

Land at J16 of the M6 (ref: AB2)

2.2 This is a greenfield site that is surrounded by farms and is closer to the M6 motorway. It is an outstanding location for logistics development and there would be a good level of demand from the market. Later in the report, we provide details of the extensive requirements for this area from the Big Box market.

2.3 The site is over 90 acres and is linear from north to south. A masterplan has been prepared which provides neatly 2.5 million square feet of space. This is mainly targeted at the 'Big Box' market and would largely target the major space requirements that are current for this part of the M6 Corridor.

2.4 The site is promoted by St Modwen Developments and they have had a long engagement with the local planning authority. The developer has undertaken extensive due diligence on the weaknesses identified in earlier assessments of the site. There are mitigation measures being developed for issues concerning the lack of public transport serving the site, access into the business park, local amenities and workforce accessibility.

2.5 The proposed strategic employment site is situated in Audley, close to M6 Junction 16. Audley is a semi-rural village, located approximately four (40 miles to the northwest of Newcastle-under-Lyme. The village is between Newcastle-under-Lyme and Crewe.

2.6 Audley is located between M6 junctions 15 and 16, which Birmingham in the south and the major cities of the North West. It has reasonable local bus connections, as buses run into Newcastle-under-Lyme town centre, which itself has good local bus connections. Audley's nearest rail connections are Alsager and Kidsgrove railway stations, which are approximately four (4) miles away. The Stoke-on-Trent main train station is a 15-minute driving distance and Crewe is slightly further. All the stations provide service to London, Nottingham, Birmingham, Manchester and Stafford.

2.7 This site is located immediately to the south of M6/A500 interchange. It borders the A500 to the north and the M6 to the west but is otherwise surrounded by fields. The site extends to approximately 69.91ha and is located in the Green Belt. The site also has a sloping topography and comprises of fields used for farming.

2.8 The planned warehouses will be built to St Modwen Logistics' 'Swan Standard' for sustainable construction, meaning they will be highly energy efficient and have an EPC 'A'+ rating.

2.9 St Modwen has extensive experience in this market. They have a long-standing regeneration partnership with Stoke-on-Trent City Council and have most recently developed Stoke Central, a £65.5m investment in Stoke-on-Trent supports city's

Aspinall Verdi

regeneration. Generating employment opportunities and deals signed with e-commerce firm Overclockers UK and NVS.

Land at Barkers Wood, Keele (Keele University) – Ref: KL14 and KL15

2.10 Keele is located on the M6 between Junctions 15 and 16, just west of Stoke-on-Trent and Newcastle-under-Lyme. The site is predominantly greenfield, made of trees and shrubs, located at Keele University in Keele Village, Newcastle-under-Lyme.

2.11 The site shares borders with the Low Carbon Energy Generation Park to the south and the Keele University Science & Innovation Park, which hosts approximately 50 companies and 600 employees across the site to the north and south.

2.12 Keele University is a major employer with over 2,000 staff, equivalent to 1,800 full-time equivalent (FTE) jobs. This makes the University one of the largest employers in the area, alongside the NHS and local government. Importantly, a large number of these direct jobs at the University are high value, high skilled positions for the local economy: around 40% of university employees are academics, with the remaining a mix of managerial, professional and support staff.

2.13 At £39,074, the average annual salary per FTE employee at the University is 60% higher than the average pay for all residents in Newcastle-under-Lyme borough.

2.14 The Keele University Science and Innovation Park (KUSIP) currently has five Innovation Centres (IC) which house high value and high growth businesses, with a cluster in medical, pharmaceutical and digital companies on site. KUSIP is Staffordshire's only Science Park and plays an important role in attracting businesses to locate in Newcastle-under-Lyme.

2.15 It is positioned as part of the inward investment proposition in the borough as well as wider in the LEP area: one-third of all companies there are a result of foreign direct investment.

2.16 The historic occupancy rates at the Innovation Centres between 2009 and 2016 have rarely dipped below 80% even at times of the economic recession, and in recent years have been at full occupancy. There are currently an estimated 780 people working within the Innovation Centres, supporting a total of 820 FTEs and £40m in GVA including local multiplier effects.

2.17 The launch of the New Keele Deal outlines a £70m programme of investments in partnership with Staffordshire County Council, Stoke-on-Trent City Council, Newcastle-under- Lyme Borough Council, University Hospitals of North Midlands NHS Trust, and the Stoke-on- Trent and Staffordshire LEP.

2.18 These investments are aimed at exploiting Keele University's research and business engagement potential. The New Keele Deal projects, include the Smart Innovation Hub and the Smart Energy Network Demonstrator (SEND), which consolidate the University's research expertise and facilitate collaboration and innovation with partners and businesses.

2.19 Overall, Keele expects student numbers to almost double by 2040 as a result of the growth in existing schools and potential creation of new schools such as a faculty of 21st Century Engineering. This growth will create the demand/ need for supporting commercial, residential and amenity uses on campus. The economic impact of these uses is explored in the next section.

2.20 Alongside this academic growth, given the observed demand for space at the Science Park the University has plans to significantly expand its footprint, with six further Innovation Centres planned, totalling over 17,000 square metres in floorspace.

2.21 The University has developed the science park without a development partner. The University's estates team has source funding and employed contractors to construct the buildings and public realm.

Land off Talke roundabout / A500 – Ref: TK30

2.22 This site is located in Red Street near the former mining village called Talke Pits in Newcastle-under-Lyme Borough. The site is bordered by A500 to the north and lies adjacent to Audley Road to the south. It is near Bignall Hill reservoir, and is surrounded by private residences. The site sits on the greenfield and is off Deans Lane to its south east and Talke Road to the North East.

2.23 This is a highly visible site to the south of the A500, close to Talke Road as it extends towards the village of Red Street and relatively near to the A34/A500 interchange. The site extends to approximately 46.64ha, slopes and comprises of farmland. The site is also situated within the Green Belt.

2.24 The site lies approximately 5 miles from Junction 16 of M6 and 9-minute driving distance. Red Street is a small semi-rural village in Newcastle-under-Lyme Borough. It lies 6 miles north-west of Stoke-on-Trent, 2 miles east of Audley, and 1 mile north of Chesterton.

2.25 Despite the good connectivity, the site poses challenges in respect of finalising land options, infrastructure and environmental issues which may slow the pace of delivering this site. Our inspection has noted that access onto the site will be difficult with this site in isolation and will lead to a left in/ left out junction. If this site could be linked to the roundabout in the east (A34), then this could yield significant mitigation benefit to site accessibility. Any future development of the site would need to respect the setting of the Wedgwood Monument.

2.26 The topography of the site makes it challenging to show large logistics and manufacturing units can be delivered on this location. It may be an option to cut and fill, but the costs associated with this will have a knock-on effect on viability. The Wedgewood Colliery was beneath this site and it is a danger area for development.

2.27 While bus stops are located in Red Street, these do not run past the site and as such, we consider it has average connectivity to public transport, however the site is well located in proximity to the strategic road network.

2.28 Harworth Group is promoting the site for a mixed-use development. This comprises of circa 1 million sq.ft of employment land to the north of the site employment use in the medium to long term. At the south end of the site and linking to Lane End, there are plans for approximately 400 homes.

2.29 Harworth is a national developer with a significant track record of developing large sites with complex land conditions. It grew out of UK Coal's Property division and there is in-house expertise in knowing how to develop in coalfield areas. The developer is currently on site at Chatterley Valley West. This is less than half a mile away. The strength of market interest in this site has persuaded Harworth to pursue the promotion of this site as a second phase

3 What makes a site suitable for Strategic Investment?

3.1 Whether a site is suitable as a site for this strategic development will be governed by a range of macro and micro locational factors that will drive the investment decisions of the target sectors.

3.2 Macro level factors refer to the suitability of an area or district as a whole. This would include the availability of a portfolio of employment land to satisfy the needs of modern industry, a skilled workforce, proximity to markets and a close relationship with a Higher Education Institute or Research & Development Facility. This typically needs to be within 30 minutes travelling time and is particularly important to the biotechnology and digital industry sectors. Being close to other firms in the same industry is very important in the case of certain industries; one of which is environmental technology.

3.3 It is evident that each of the sites has the necessary requirements at the macro level. There is a large area of land that is waiting to be developed. There is a plentiful supply of skilled workers available for any prospective inward investors. The commercial ‘arteries’ of the M6, A500 and A50 Strategic Roads, plus the West Coast Main Line, give rapid access to employees, to markets, the Port of Liverpool and Manchester and Birmingham Airports.

3.4 Once a prospective investor is satisfied that the area has potential at this macro level, it will begin to consider the micro factors relating to individual sites. These are:

- *Proximity to Main Road Network* – this enables fast access to markets, ports and airports and relates as much to the movement of people as goods;
- *Accessibility by Public Transport* – activities with a large workforce and/ or a large customer base also require good access to the public transport network;
- *Site Environment and Image* – this is important to several sectors, notably Research & Development, professional services, headquarters functions; although the nature of the environment may differ. Such companies prefer a high-quality business park environment;
- *Broadband connectivity* – this is becoming increasingly important to all knowledge-based industries as the need to transmit larger amounts of data at high speed grows and there is an increasing pressure for new premises to be able to accommodate ICT cabling and offer broadband connectivity;
- *Utilities capacity* should be able to support new development by providing adequate power.

Land and Property Requirements

3.5 Given the wide-ranging nature of the advanced manufacturing and logistics sectors, the property requirements of companies would be diverse. However, we would expect there to be a demand for the following sectors in the Newcastle/ Stoke Functional Economic Area:

- Light industrial and Laboratory Space – for Research & Development;
- High quality offices;

Aspinall Verdi

- Manufacturing Premises;
- Innovation Space; and
- Logistics and Distribution

3.6 The *Digital and Creative* sector covers a wide range of differing companies, but they often require flexible space as office or studios. They will need superfast broadband and high-quality ICT. These businesses normally like to cluster (University of Keele Science Park).

3.7 *Financial and Professional Services* like to operate from high specification offices with high quality ICT and large floorplates. HQ type facilities require accessible town centre locations close to railway stations and preferably with access to airports. Back-office functions can locate on out-of-town business parks.

3.8 *Energy and Environmental* is another large and varied sector. It would be expected that future demand would cover the full range of employment space (similar to advanced manufacturing).

Critical Success Factors – Advanced Manufacturing and Technology Parks

3.9 The think tank Centre for Cities has recently urged caution to Local Authorities promoting one industrial sector to the exclusion of others.[1] It warns that “not every city can have a powerful creative, advanced manufacturing or green industries cluster.” The research has shown that 39 of 56 English cities believe they have a creative industries sector that is worth supporting or developing, 26 are aiming for green industries sectors and 33 identify advanced manufacturing as a current or future key strength. Fifteen of these cities are aiming for all three!

3.10 The report does acknowledge that clusters are likely to emerge as the result of some natural or historical advantage, such as a particular mix of local assets. Keele’s Research excellence in the energy, medical technology and planned investment in the engineering sectors gives us belief that Keele has the assets to develop and sustain a cluster of national importance at this location.

3.11 On the following page we provide a table summarising the land, property and locational requirements of all the growth sectors. Later in this study, these factors will be considered when considering the suitability of the three subject sites for adoption as Strategic Employment Sites in the new Local Plan.

Summary

3.12 It is clear when we analyse the three sites of this study, each of them has the necessary characteristics for servicing these particular sectors. Keele does not have ideal connections to Strategic Infrastructure; but its impact on the local and regional economy and the leading-edge research in key growth sectors, means that it has to be acknowledged as a regional strategic site.

[1] https://www.centreforcities.org/wp-content/uploads/2014/07/FINAL_Centre-for-cities-report2014.pdf

Growth Sector	Land and Property Requirements	Locational Requirements
Advanced Engineering and Manufacturing	• Portfolio of suitable employment land • Adequate power and utilities capacity • Light industrial and Laboratory Space – for Research & Development • High quality offices • Manufacturing Premises • Managed Workspace/ Innovation Centre for Start-ups	• Close links with Higher Education Institution or Research facility • Access to markets • Skilled workforce • Proximity to compatible companies • 'Spin off' and 'Spin in' opportunities
Digital and Creative	• Flexible Space • Offices • Studios • High Quality ICT • Superfast Broadband • Managed Workspace/ Incubation Centre for Start-ups	• Town / city centre • Close to universities/ college with critical mass of suitable students/ graduates • Cluster of compatible businesses • Good transport links to Regional Hub at Media City and Sharp Project
Energy & Environmental	• Light industrial and Laboratory Space – for Research & Development • High quality offices • Manufacturing Premises • Managed Workspace/ Innovation Centre for Start-ups	• Close to hub attractors • Critical mass of appropriately skilled workforce • Accessible to HEI/ Research facility • Clusters of complementary businesses
Logistics	• Large, flat site of 50 acres plus • High quality offices • High Quality ICT	• Proximity to Strategic Road Network • Access to Markets • Accessibility for Workforce • Adequate power

4 Establishing Sub-Regional Needs

4.1 This section of the report considers the wider sub-regional needs/ drivers that may have an impact on the requirement for the allocation of strategic sites in Newcastle-under-Lyme. This includes alignment with the 2021 West Midlands Strategic Employment Sites Study and also assesses if the sites help to support the Regional Economic Plan.

Stoke and Staffordshire LEP - Economic Plan

4.2 The Stoke and Staffordshire LEP's Economic Plan [2]sets out a strategy on how they will develop its economy and will have a direct impact on the future industries and jobs created within Stoke-on-Trent and Staffordshire. It is based on looking after businesses already in the area with growth potential in key sectors, as well as inward investment targets.

4.3 The economic growth agenda is based on sector growth in the recognised strengths in key aspects of advanced manufacturing, plus a number of other sector strengths.

4.4 The priority advanced manufacturing sectors are:

- **Energy**: Stoke-on-Trent and Staffordshire has already had considerable success in developing the energy generation sector since the original SEP was published (March 2014). Several major schemes are currently at the early stages of delivery through the Powerhouse Central programme: securing the funding needed for a £52m District Heat Network in Stoke-on-Trent and a £27m Smart Energy Network Demonstrator at Keele University Science and Innovation Park.
- The Keele University Sustainability Hub continues to act as a focus of research and teaching around sustainability, green-tech and energy generation. The University aims to significantly expand its capacity in energy / renewables research, particularly around wind, solar and geothermal. Keele University has been exploring how the campus can be self-sufficient in terms of energy and is aiming to have reduced its carbon emissions by 34% by 2020. The sector employs around 3,200 people in our area and accounts for 4% of national employment in Energy.
- **Medical Technologies**: in which Keele University and its Science and Innovation Park are internationally recognised leaders. The Medical Technologies sector is one of the priorities for the Midlands. Despite being relatively small in employment terms, the med-tech sector has seen substantial growth in recent years. The Faculty of Medicine and Health Sciences at Keele University, the University Hospitals of North Midlands and the Keele University Science and Innovation Park continue to attract additional local growth in the med-tech sector.

  The plan identifies the area is home to a growing number of leading medical technology and healthcare companies, including TRB Chemedica, Biocomposites, Cobra Biologics and Alliance Medical. Newcastle-under-Lyme has a concentration of employment in the higher value-added med-tech sector that is more than twice that seen nationally, primarily comprising companies

[2] Stoke-on-Trent & Staffordshire Strategic Economic Plan – April 2018

involved in the wholesale of pharmaceutical products. Agri-Tech: drawing on the area's agricultural backdrop and the presence of Harper Adams University to capitalise on an increased global focus on food security and the agri-plant capacity at JCB.

- **Applied Materials**: building upon the area's recognised heritage in metals and ceramics in both Stoke-on-Trent and Staffordshire to exploit opportunities in applied uses for polymers, ceramics, glasses and composites.

4.5 The LEP's growth ambitions and targeted sectors will all benefit from a strong **digital economy**, which is highly immersed with other sectors of the economy. This will accelerate the adoption of digital technology across the advanced manufacturing sectors and aid the development of our key sectors.

Assessing the Need

4.6 Industrial and logistic contributes significantly to the national economy, employing approximately 3.4 million people in England and generating £268 billion in GVA per year[3] According to national planning policy, Local Plans must include adequate provisions for employment and commercial development[4]. It also necessitates policies that recognise and address the locational needs of various sectors, as well as adequate provision for "storage and distribution operations at a variety of scales and in suitably accessible locations."

4.7 The large employment sites in North Staffordshire that are closer to the motorway and strategic highway networks, particularly those in Newcastle-under-Lyme, could potentially contribute to the local authority's and surrounding local authorities' economic development.

West Midlands Strategic Employment Sites Study

4.8 The WMSES joint study by Avison Young and Arcadis published in 2021 sought to provide a high level overview on the availability or scarcity of strategic employment land across the region, as opposed to within particular local authority areas, as well as considering an appropriate definition of the same.

4.9 It suggests that Strategic Employment Sites are best delivered in locations that are easily accessible to the strategic highway network, with developers and occupiers prioritising sites near motorway interchanges. The large employment sites in North Staffordshire that are closer to the motorway and strategic highway networks, particularly those in Newcastle-under-Lyme, could potentially contribute to the local authority's and surrounding local authorities' economic development.

4.10 In the context of the economy, Nathaniel Lichfield & Partners 2015 report highlight that over the last 40 years or so, the local economy of Stoke-on-Trent and Newcastle-under-Lyme has undergone significant restructuring, shifting away from the traditional manufacturing base for which the area was internationally renowned and towards a more service-oriented economy, particularly logistics and distribution. Looking at the backbone of the North Staffordshire economy, large employment sites, if utilised, will benefit the region. While Newcastle-under-Lyme has large employment sites at Keele

[3] Savills 2022
[4] National Planning Policy Framework, Section 6 2021

and Junction 16, that can be used as a harbinger for economic development, the local authority has some socio-economic challenges.

4.11 North Staffordshire, for example, including Stoke-on-Trent and Newcastle-under-Lyme, has low rates of entrepreneurial activity, with fewer small businesses in both authorities, high unemployment, and a lower rate of self-employment in Stoke-on-Trent compared to regional and national averages. The employment sites may attract firms and employees interested in benefiting from agglomeration economies through mechanisms such as sharing, matching, and learning. Given the multitude of logistics and distribution companies in Staffordshire, the region's attraction to firms and employees is potentially imminent. Stoke-on-Trent, Newcastle-under-Lyme and Lichfield are the primary employment hubs in Staffordshire.

4.12 The local authorities provide a manufacturing- and professional- and service-oriented urban economy. Manufacturing is a notably strong economic activity in the area where global manufacturing companies such Siemens, GE Power, Pirelli, Michelin and Sumitomo Electric Wiring Systems are based in Stoke-on-Trent. Wage rates are more competitive in Staffordshire than the national average; hence, they are more cost-effective for companies, representing potential cost savings of up to 15%. Staffordshire has a comparative advantage because it is located in the heart of England and is connected to the rest of the UK by an integrated road, rail, and air network.

4.13

4.14 ~~.~~ Stoke-on-Trent and Newcastle-under-Lyme have strong commuter links, as do Stafford, Staffordshire Moorlands, and Cheshire East. Stoke-on-Trent and Newcastle-under-Lyme comprise a Travel to Work Area and a Functional Economic Market Area, according to the Practice Guidance methodology for defining labour market areas. Newcastle-under-large Lyme's employment site development provides an opportunity to absorb local residents who commute to nearby local authorities to look for work.

4.15 In Staffordshire, over 39,000 people work in transportation and storage. Road freight transportation, warehousing and storage employment hubs include Stoke-on-Trent, Cannock Chase and Newcastle-under-Lyme. In Cannock (12.5%) and Newcastle-under-Lyme (10%), employment in the industry is more than twice as high as the English average (5%) for employment.

4.16 Business, financial, and professional services employ 79,000 employees, and the head offices of JCB, Michelin UK, Bet365, and Vodafone's contact services are located here. The manufacturing sector employs approximately 55,000 people, and the area accommodates more than 40 automated.

Summary

4.17 There is a clear regional rationale for (a) Strategic Site(s) in Newcastle-under-Lyme. Research activity at Keele University is mentioned several times in the LEP’s Economic Strategy. Its expertise in Energy, Medical Technology and Applied Materials is attracting serious commercial interest from multinational companies such as Siemens.

4.18 The area is moving towards a more service-oriented economy, particularly logistics and distribution. Looking at the backbone of the North Staffordshire economy, large employment sites, if utilised, will benefit the region. Newcastle-under- Lyme's possible large employment sites development provides an opportunity to absorb local residents who commute to nearby local authorities to look for work.

4.19 There is clear support from these documents for (a) Strategic Site allocation(s) in Newcastle-under-Lyme.

5 Commercial Market Review

5.1 The RICS Commercial Property Monitor provides trends and performance of commercial real estate property market in the UK. The Q4 2022 RICS UK Commercial Property Survey results indicate that overall market conditions deteriorated further during the quarter. In fact, 83% of respondents at the national level now believe the market is in the downturn phase of the cycle, up from 81% the previous time. The majority (49%) still believes the downturn is in its early stages, though the proportion of survey participants who believe we have reached the midpoint of the contractionary phase has increased from 20% to 34%. However, only 9% believe the market has bottomed out in this cycle, up from 4% the previous time.

5.2 Starting with the occupier market, the overall net balance for tenant demand fell to -20% in Q4. This is down from a previous reading of -10% and is the lowest reading since the end of 2020. In terms of sector breakdown, there was a notable drop in occupier demand across offices (net balance -29%) and retail premises (-45%), with both metrics falling deeper into negative territory over the quarter. Meanwhile, tenant demand in the industrial sector remained marginally positive (net balance +6%), though this represents a significant softening compared to the strong growth reported in H1.

5.3 Along with this, the availability of leasable space increased in the office and retail sectors, but fell slightly in the industrial sector. At the same time, the value of incentive packages available to tenants increased in each sector, though the increase in industrials was much more modest. Nonetheless, near-term rental expectations in the industrial sector remain modestly positive, despite the fact that the latest net balance of +19% is the lowest since Q3 2020. In contrast, rental expectations for both the office and retail sectors remain negative, with net balances of -24% and -47% in Q4 respectively (unchanged from the Q3 survey results).

5.4 On a 12-month basis, prime office rental expectations remain marginally positive (net balance +10%), while the outlook for secondary office rents appears to have deteriorated, with the net balance falling from -42% to -52%. On the same premise, both prime and secondary retail rents are expected to fall, with the latter posting a particularly bleak Q4 net balance of -62%. Respondents, on the other hand, continue to expect rents to rise across prime and secondary industrial sectors in the coming year, even though the latest net balances of +40% and +6% have been scaled back from the previous quarter.

5.5 In terms of regional results, respondents in the Midlands and North of the country still expect reasonably solid growth in secondary industrial rents over the next twelve months.

5.6 In terms of the investment market, buyer enquiries are said to have dropped at the headline level, as evidenced by a net balance of -30% of respondents citing a drop in investment demand. Furthermore, investor inquiries fell across all sectors covered for the first time since the pandemic’s early stages. Similarly, overseas investment demand fell in each sector when compared to the previous quarter.

5.7 Recent interest rate increases appear to be having a significant impact on capital values, with short-term expectations falling sharply across all sectors. The fourth-quarter net balance reading of -18% for the industrial sector is the lowest since 2011. Similarly, capital value expectations fell in the office and retail sectors, with net balances of -54% and -65%, respectively, in Q4. Capital value projections for the next twelve months are now in negative territory (to varying degrees) across all three mainstream sectors (both prime and secondary markets). Furthermore, all regions of the UK now have negative all-property average capital value expectations for the coming year.

5.8 Contrary to the general trend, a few alternative sectors, such as aged care facilities, student housing, and data centres, still reported marginally positive capital value expectations, though these were significantly reduced in each case during Q4. In the multifamily residential sector, the net balance of respondents expecting a rise/fall in capital values fell to zero, down from +21% previously. In addition, the twelve-month outlook for hotel capital values worsened, with the net balance falling to -26% from -18% previously.

5.9 Credit conditions were reported to have worsened by a net balance of -73% of contributors (down from -68% the previous time), playing a significant role in the pullback across many investment market indicators during Q4. As a result, this marks a new series low (first introduced in 2014), with higher interest rates cited by many contributors as ushering in a period of market valuation adjustment.

5.10 Occupier demand fell 11% to 10.2 million square feet in Q4 2022, bringing total 2022 take-up to 54.5 million square feet. Despite this decline, 2022 remains the second-best year on record, surpassing the previous high of 52 million set in 2020[5].

5.11 During the year, demand dynamics shifted dramatically, with manufacturing take-up increasing by around 30% on 2021 volumes. Simultaneously, the E-commerce sector experienced a 75% YoY decline, owing to a drop in parcel volumes and a lull since the sector's acquisition spree in 2020 and 2021[6].

5.12 Availability increased for the second quarter in a row, reaching 55.9 million square feet. Despite this, availability remains lower than the long-term average, with supply shortages most severe in the Grade B segment[7].

5.13 During Q4 2022, investment volumes stalled significantly, reaching only £1.3 billion, the second lowest Q4 since 2012. This was largely due to widespread uncertainty in financial markets, as well as a period of pricing transition, which saw Q4 2022 yields decompress by approximately 150bps[8].

5.14 The logistic property market in the West Midlands is one of the better-performing segments in the commercial property industry, as evidenced by key performance measures like supply, demand, rent, capital values, take-up, and vacancy rate. Recent market reports by Savills and Avison Young also provided a background for our assessment of big shed property market in the local authority and UK in general.

5.15 According to Savills[9], the region's level of supply currently stands at 2.87 million square feet spread across 11 units, which is a 23% increase from this time last year. Using the three-year average annual take-up, the West Midlands has only 0.36 years of supply. There is 21% Grade A speculatively developed space, 55% Grade A second-hand space, 4% Grade B space, and 20% Grade C space available. Analysing the vacant stock by size reveals six units available in the 100,000-200,000 sq ft range, a single unit in the 200,000-300,000 sq ft range, two units in the 300,000-400,000 sq ft

[5] Cushman and Wakefield, 2023, UK Logistics & Industrial Outlook Q4 2022
[6] *Ibid*
[7] *ibid*
[8] *ibid*
[9] Savills Research, 2023, UK logistics: Big shed briefing January 2023

range, a single unit in the 400,000-500,000 sq ft range, and a single unit larger than 500,000 sq ft. Take-up in 2022 totalled 7.43 million square feet across 28 transactions, representing a 58% increase over the long-term average. The average deal size has continued to rise, reaching 265,436 square feet in 2022 despite a slight decrease in activity in 2022 compared to 2021.

5.16 Savills[10] also highlighted that occupier demand continues to revolve around better quality space with 47% being built-to-suit in 2022, 21% speculatively developed space let prior to practical completion, 6% new speculatively developed space and 26% second-hand. Analysing take-up in terms of grade shows 83% of space transacted was grade A, 10% was Grade B and 7% was Grade C.

5.17 According to Avison Young[11], in comparison to November 2022, when it increased by 0.58%, the MSCI industrial rental growth index increased by 0.54% in December 2022. Despite the fact that this was the key sector with the biggest rental increase, industrial property has slowed down from earlier in the year. Rental growth back in June 2022 was 1.1%. According to data from Avison Young, take-up of Grade A Big Box space larger than 100,000 square feet decreased from 40.3 million square feet in the same time of 2021 to 30.2 million square feet in Q1–Q3 2022. By the end of September, the current supply was 24.0 million square feet, up from 20.8 million square feet in June.

5.18 Avison Young[12] highlighted that online shopping sales value decreased by -8.9% in the year to December 2022 and was down -2.9% month-over-month given the growing importance of ecommerce to the industrial sector. However, it is possible that late last year's Royal Mail strikes led to greater physical retail buying. In the 12 months leading up to November 2022, industrial asset investment volumes totalled £14.0 billion. This was down from £15.4 billion in the year to October, although it was still significantly higher than the amount of £7.7 billion for the year to December 2019. Recent capital value growth has been significantly slower in the industrial sector. Compared to -7.6% in November, the MSCI industrial index decreased by -5.0% month-over-month in December, marking its sixth straight negative reading.

Key Performance Indicators of Newcastle-under-Lyme Market

5.19 This section examines key performance indicators for the Newcastle-under-Lyme industrial and logistic property market. According to the CoStar Group, Newcastle-under-Lyme is a midsized submarket containing around 7.6 million square feet of industrial space. Specifically, the significant indicators for our review were average market rent, average sale price, average availability rate, average vacancy rate and net absorption.

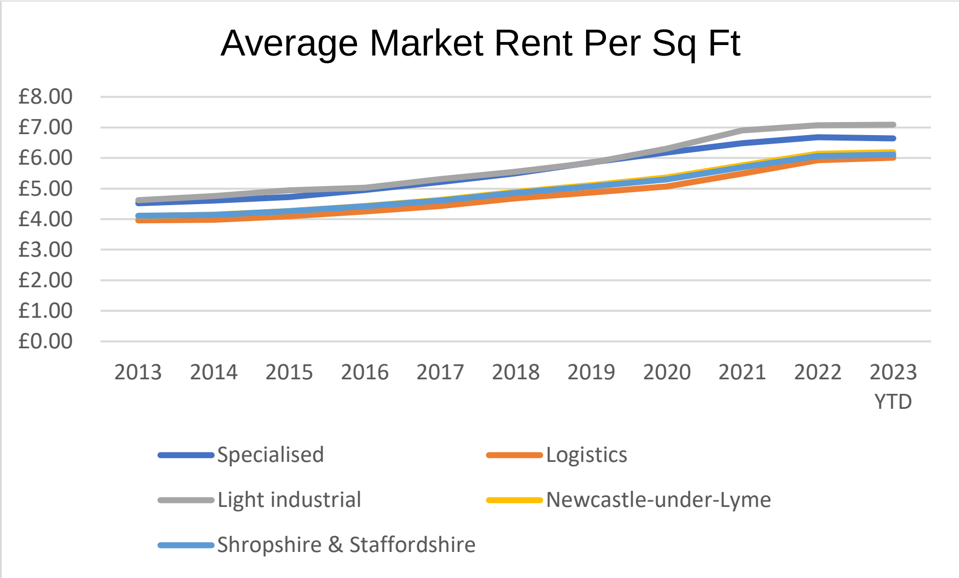
Average Market Rent

5.20 Our analysis of data exported from CoStar shows that rent increased by 6.5% in the past 12 months, which was also in line with the annualised average growth rate over the previous three years. Over a longer time, horizon, industrial rent growth in both the Newcastle-under-Lyme submarket and the Shropshire & Staffordshire market as a whole has been exceptionally strong. Rents in the submarket have substantially

[10] *ibid*
[11] Avison Young, 2023, Property Market:https://www.avisonyoung.com/experience/research-uk/epmr-february-2023/property-market#block-941f55ab-6767-43b5-9412-2cb4be964012
[12] *ibid*

increased by 49.2% over the last ten years, a performance that is nearly identical when compared to the entire Shropshire & Staffordshire market.

Figure 5-1- Average Market Rent Per Sq. Ft



Source: AspinallVerdi analysis of CoStar (2023) data

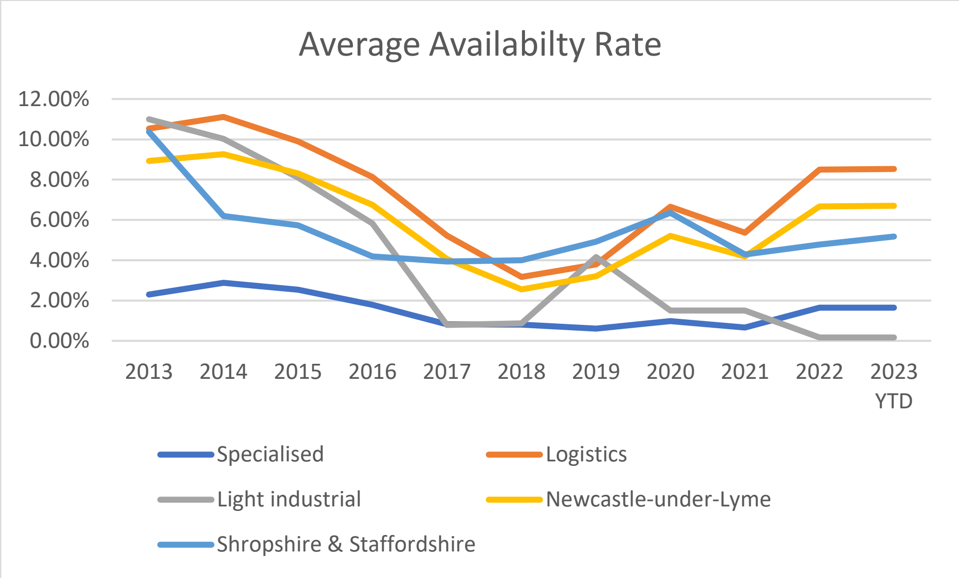
5.21 The average market rent per square foot, though not expressed in terms of time value for money, has experienced a steady growth in the local authority from £ £4.10 in 2013 to £6.19 2023. Although it can be argued that £2.09 is not a significant increase, the change is positive and might have an impact on the value of the property. The average market rent per square foot for Staffordshire and Shropshire have taken the similar trajectory whereas rent in 2013 was £4.11 and in 2023 is at £6.11 representing £2 growth. However, over time, Newcastle-under-Lyme has demonstrated good performance, as the current average market rent is higher than that of the Shropshire and Staffordshire regions.

Average availability rate

5.22 Our assessment considered another critical indicator, availability rate, to understand the rate at which industrial and logistic property are made available on the market for letting and sales. The Figure 5-1 below shows the industrial floorspace availability rate in Newcastle-under-Lyme since 2013, benchmarked against Shropshire and Staffordshire. Industrial availability in Newcastle-under-Lyme exceeded the Shropshire and Staffordshire averages at the start of this period.

5.23 However, significantly whilst availability rates fell nationally and regionally over subsequent years the fall was more marked in Stoke-on-Trent in particular, and, as of May 2020, availability in both authorities is recorded as being lower than the regional and national averages, with industrial availability in Newcastle-under-Lyme being close to zero.

Figure 5-2- Average Availability Rate in Newcastle-under-Lyme



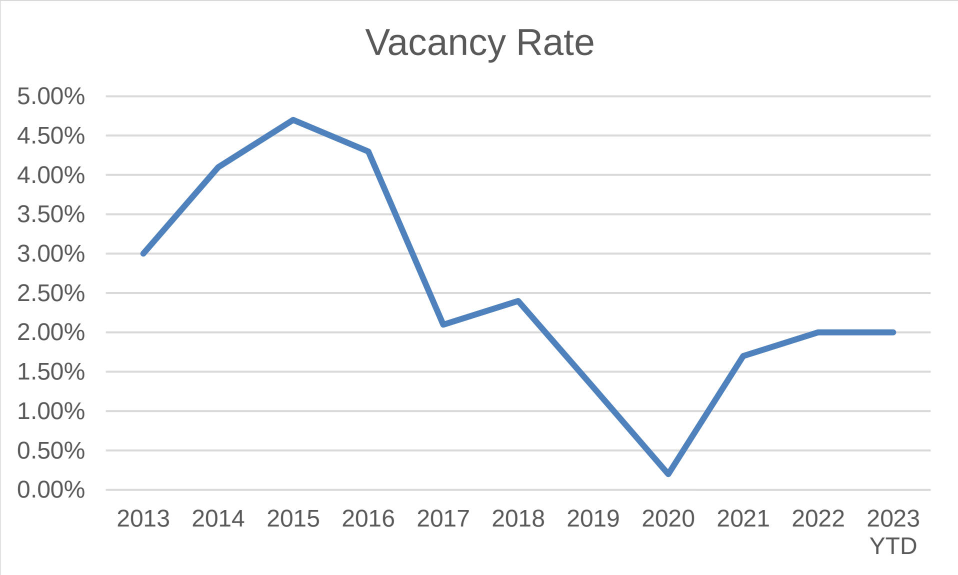
Source: AspinallVerdi analysis of CoStar (20230 data

Average vacancy rate

5.24 The figure below shows that vacancy rates in Newcastle-under-Lyme have declined from over 5% to just under 2% since 2016. Vacancy rates saw a sharp decrease in 2020, perhaps due to the impact of COVID-19 on the industrial sector, which led to an increase in demand for industrial units since a lot of consumers turned to online shopping due to the stringent COVID-19 regulations.

5.25 In fact, vacancy rates fell to almost zero during the pandemic. However, vacancies rose slightly, and it coincided with the new delivery of 40,000 sq. ft. in 2021. The specialised and light industrial vacancy rates are shown to be under 1% and are forecast to remain at that level. Newcastle-under-Lyme's vacancy rates are set to maintain a steady rate of 1.5-2%.

Figure 5-3- Vacancy Rate



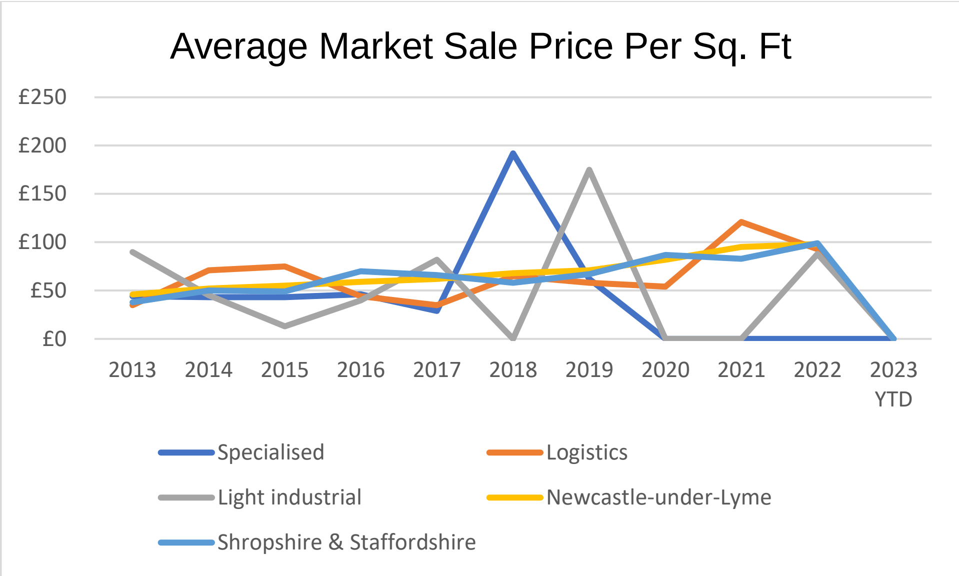
Source: CoStar (2023)

Average Market Sale Price

5.26 We considered the average sale price per square foot in Newcastle-under-Lyme benchmarked against Shropshire and Staffordshire market. Our analysis of data obtained from CoStar shows that there is not much deviation between the two markets. Equally, the analysis shows that industrial property in the industrial market in Newcastle-under-Lyme has seen consistent interest from buyers, who have been aggressively buying assets throughout time. In the last 12 months, 8 industrial properties have been purchased, continuing the trend. Over the past five years, annual sales volume has averaged £39.9 million, and 12-month investment volume peaked at £102 million during that time. Particularly in the last 12 months, assets sold for £28.3 million.

5.27 The market pricing, which is determined by changes in the price movement of all industrial properties in the submarket, now sits at £98 per square foot. Our analysis shows that the figure is up from this time last year, and pricing here is still ahead of pricing across the Shropshire & Staffordshire region. The market cap rate increased slightly for the past 12 months to 5.8%, and it is fairly similar to the average in Shropshire & Staffordshire region. The rate is higher than it was at this time last year, but it is still lower than the five-year average.

Figure 5-4-Average Market Sale Price Per SQ. Ft.



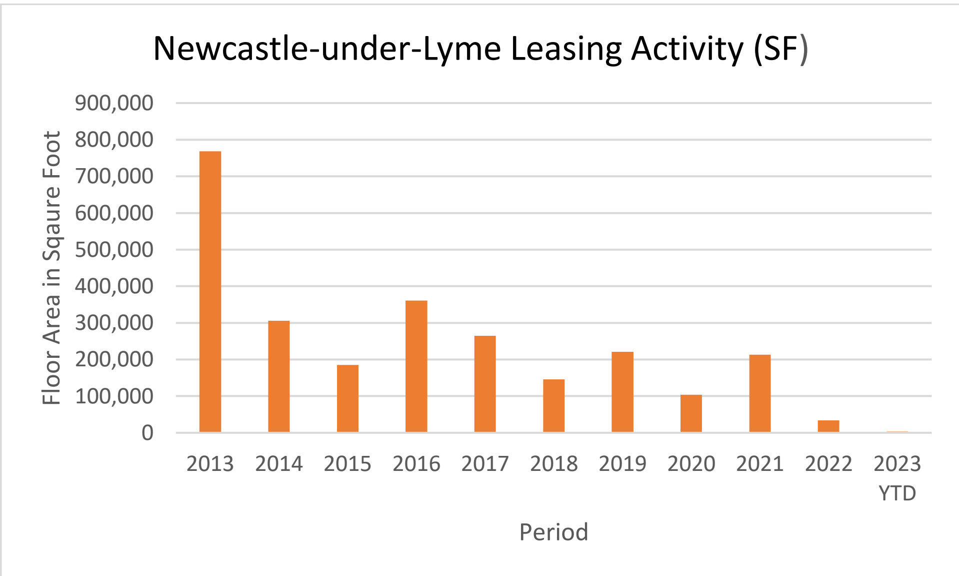
Source: AspinallVerdi analysis of CoStar data (2023)

5.28 Given that the average market selling price in Newcastle-under-Lyme is greater than the average market sale price per square in Shropshire and Staffordshire, it is important to pay attention to this indicator. It is a positive metric that demonstrates good performance by the local authority's logistic property market and has the potential to attract investors.

Leasing Activity

5.29 We analysed the leasing activity in terms of logistic and industrial property space that has been occupied for the last 10 years in the local authority, with attention paid to leased floor area, vacant floor area, and available space.

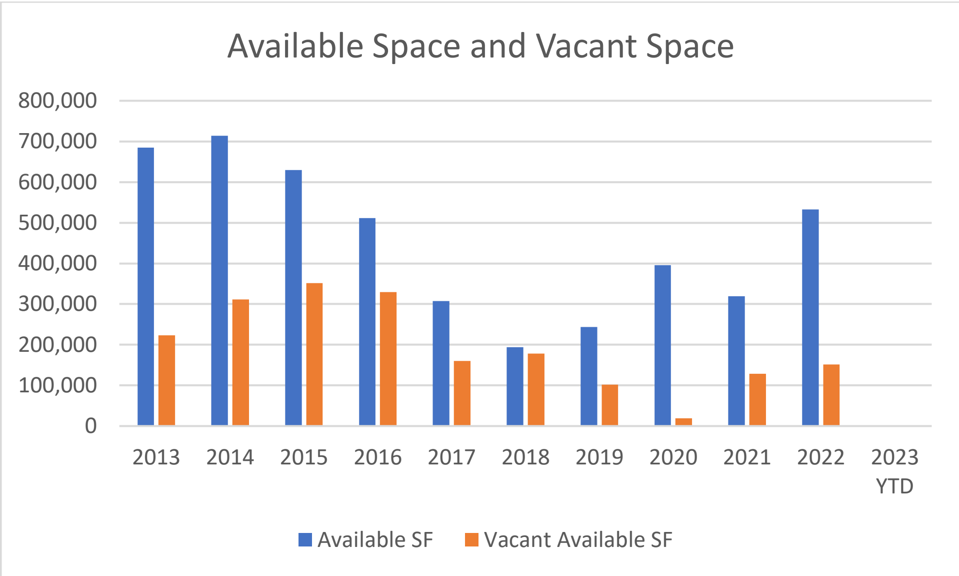
Figure 5-5- Floor Space Area Leased



Source: ApinallVerdi of CoStar (2023) data

5.30 There was a peak in 2013 (perhaps mainly because of one large transaction at JCB World Logistics to the north of the district); however, the annual average per transaction in the local authority has been fluctuating.

Figure 5-6- Available Space and Vacant Space



Source: AspinallVerdi analysis of CoStar (2023) data

5.31 The figures above show that since 2019, the local authority's vacant floorspace has been declining, of course with the exception of 2021 and 2022, when it increased but did not rise above earlier years.

5.32 Newcastle-under-Lyme currently has 532,718 square feet of occupied industrial space available, compared to 151,757 square feet of vacant floorspace in the area. The amount of available floorspace has fluctuated since 2012; this is most likely due to deliveries in the area, which created more floorspace available for occupation.

5.33 The figure above depicts the demand for industrial space in the area. With low vacancy rates recorded from 2019 to 2022, we expect this demand to continue, and availability rates to fall when extrapolating the trends seen.

5.34 We also looked at industrial and logistic properties available for letting in the area on EG Radius to determine their asking rents per square foot. We were able to locate 31 properties, as shown in the map below, but our analysis only included 14 lettings because they provided sufficient information for analysis.

Table 5-1- Available Lettings in Newcastle-under-Lyme

Postcode	Size (sq. ft)	Asking rent	Asking rent (£/Sq Ft)	Primary use type
ST4 6BU	2,219	£21,600	9.73	Industrial - Storage and Distribution (B8)

ST4 6JQ	3,826	£27,750	7.25	Industrial - Storage and Distribution (B8)
ST5 6SS	1,430	£9,300	6.50	Industrial - Industrial Park (B1/2/8)
ST5 7AS	20,635	£125,000	6.06	Industrial - Mixed Industrial (B1/2/8)
ST5 7JZ	3,563	£18,000	5.05	Industrial - Mixed Industrial (B1/2/8)
ST5 7UB	42,678	£250,000	5.86	Industrial - Mixed Industrial (B1/2/8)
ST5 7UG	2,621	£18,431	7.03	Industrial - Mixed Industrial (B1/2/8)
ST5 9AH	35,809	£232,758	6.50	Industrial - General Industrial (B2)
ST5 9QH	10,540	£75,000	7.12	Industrial - Mixed Industrial (B1/2/8)
ST6 4DS	1,706	£14,100	8.26	Industrial - Industrial Park (B1/2/8)
ST7 1PW	1,776	£14,950	8.42	Industrial - Light Industrial / Business Units (B1c)
ST7 4LE	4,308	£17,000	3.95	Industrial - Light Industrial / Business Units (B1c)

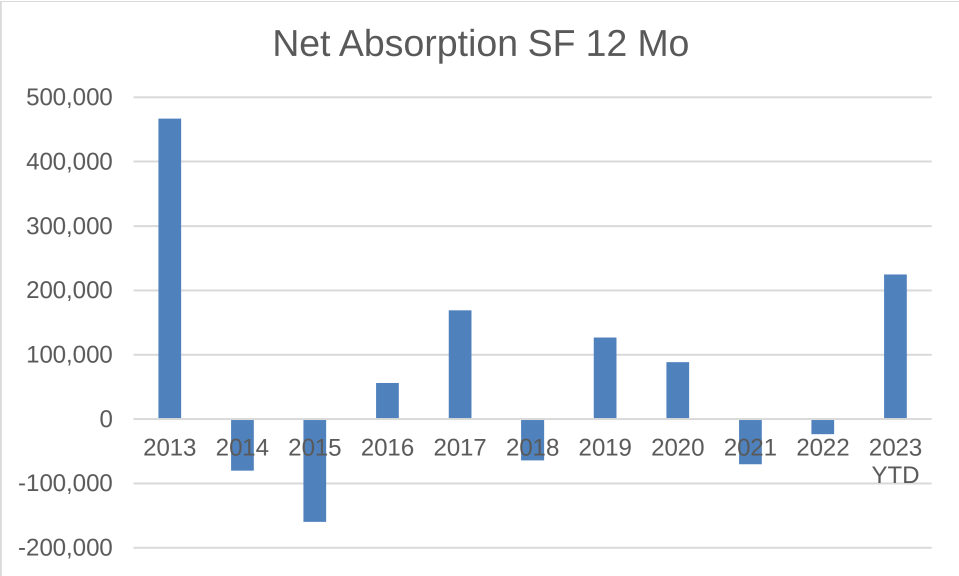
Source: AspinallVerdi analysis of CoStar (2023) data

5.35 Our analysis revealed that the asking rent per square foot in the area is not significantly different from the average market rent calculated using CoStar data. In the local market, the average asking rent per square foot is £6.81. The highest asking rent is £9.73 and the property is located at ST4 6BU, while the lowest asking rent is £3.95 and the property is located at ST7 4LE.

Net Absorption

5.36 In general, three (3) major factors significantly influence market net adoption: availability, pricing, and economic conditions. Net absorption in Newcastle-under-Lyme has been both positive and negative. Negative net absorption was recorded in the years 2013, 2014, 2015, 2018, 2021 and 2022. This means that there was more vacant space than occupied space. The years 2013, 2016, 2017, 2019, 2020, and 2023 YTD registered positive net absorption rates for the previous ten (10) years, with 2013 having the highest net absorption rate among the years that registered positive net absorption

Table 5-2-Net Absorption in Newcastle-under-Lyme, 2013-2023 YTD



Source: AspinallVerdi analysis of CoStar (2023) data

5.37 We analysed take-up in respect of lettings and occupational series for a period of 10 years in Newcastle-under-Lyme to understand the activity of the market. We relied upon data exported from EG Radius to make the analysis. Over the past 10 years, the number of transactions have seen a cycle of trough and peak pattern. For instance, 2013 recorded 20 transactions and 2015 saw the decrease in number of transactions by 5.

Average Land Values and Prime Rent in Newcastle-under-Lyme in 2023 H1

5.38 We analysed the performance of the industrial and logistic land market in Newcastle-under-Lyme in H1 2023. We then compared Newcastle-under-Lyme Borough with surrounding local authorities in terms of land values and rents.

5.39 The industrial land market has had a strong performance over the past three years, with land values rising by 163% over the past three years (Q1 2019–Q1 2021). However, according to Knight Frank[13], rising build costs, lower capital values, and downward revisions for growth have all contributed to a drop in land values in Q3 2022.

5.40 The average UK land value decreased by 47.4% over the course of six months, to £1.5 million per acre in December 2022, as a result of industrial yields moving out by more than 150 basis points since June 2022, inflationary construction costs, increased borrowing costs, and, more crucially, higher borrowing rates. A similar trend was observed in Stoke-on-Trent, where industrial and logistical land values decreased to £450,000 per acre for the past six months.

5.41 The average prime headline rent in the UK for large distribution warehouses (100,000 sq ft+) increased by 3.4% (monthly growth) and 10.5% (year on year) to £10.2 per sq ft. Similarly, the average prime rent in the UK for smaller and multi-let units reached £13.7 per square foot, up 5% (six-month growth) and 13.2%. (Year-on-year). Prime rents for multi-let and mid-box assets in London increased by 6.9% in the six months to

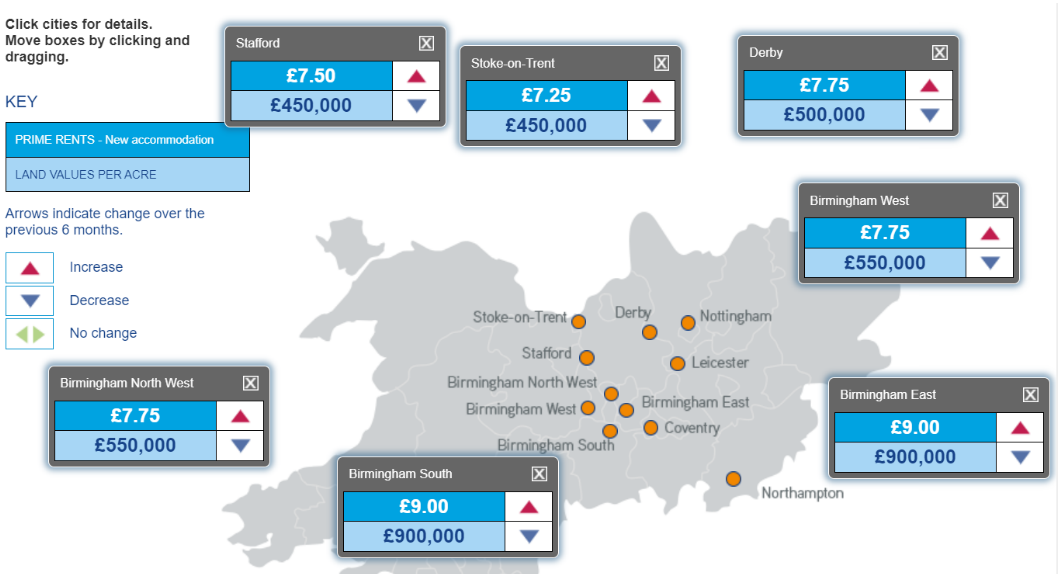
[13] Knight Frank, Industrial Land Values – Q3 2022 Update

the end of December 2022, to an average of £25 psf, representing a 12.4% year-on-year increase. Likewise, prime rent for logistical and industrial properties in Stoke-on-Trent has increased to £7.5 per square foot.

5.42 As previously stated, we compared land values and prime rent performance for the logistics and industrial market in Stoke-on-Trent and nearby West Midlands and East Midlands local authorities. According to our analysis, Stoke-on-Trent has lower land values than nearby local authorities such as Derby (£500,000), Birmingham North West (£550,000), Birmingham West (£550,000), Birmingham South (£900,000), and Birmingham East (£900,000). The analysis also revealed that all of the local authorities mentioned have seen their land values fall in the last six months as it can be seen in Figure 5-7.

5.43 As seen in Figure 5-8, Stoke-on-Trent has a lower average prime rent (£7.25 psf) than Stafford (£7.5 psf), Derby (£7.5 psf), Birmingham West (£7.75 psf), Birmingham North West (£7.75 psf), Birmingham East (£9 psf), and Birmingham South (£9 psf). Regardless of variations in average prime rent, the analysis revealed that prime rent for logistic and industrial properties has risen since January 2023.

Figure 5-7: Average Land Values and Prime Rent in West and East Midlands in H1 2023



Source: Colliers International (2023)

5.44 We also compared the average land values and rent values in Stoke-on-Trent with those in other parts of the North West region, particularly Manchester and South Cheshire. The analysis has shown that Stoke-on-Trent (£450,000) has lower land values than Manchester (£900,000) and South Cheshire (£600,000), as shown in the figure. In terms of rent, the local authority commands prime rent lower than Manchester (£8 psf) and South Cheshire (£7.50 psf).

Figure 5-8: Average Land Values and Prime Rent in North West and East Midlands H1 2023

Source: Colliers International (2023)

Summary of industrial and logistic market assessment

5.45 Looking at the key performance indicators, the Newcastle-under-Lyme market remains buoyant, although the current economic downturn has had a significant impact on the real estate sector. Rental values have actually increased, even though land values have slightly decreased across the borough. Average market values in the local authority are higher than the average market values per square foot in Shropshire and Staffordshire.

5.46 The strategic location of the local authority is a comparative advantage from which the local authority benefits, and it has remained attractive to both investors and logistic businesses. The vacancy rate, which determines demand, remains low in the area. The availability rate, which indicates the supply of property, has been quite low.

5.47 There is appetite for logistic and industrial property in the local authority as this is seen in the net absorption space. Occupier demand in the Newcastle-under-Lyme market is strong despite the economic headwinds, and low supply push rents upward, making the market more attractive to investors.

5.48 The values of land have fallen as result of cost of finance that has had an impact on the development market. The rise in yields has led to a decrease in land value, but this has not yet had an impact on the viability of large strategic schemes.

6 Employment Needs Assessment - Review

6.1 This section is a review of the findings of the Economic Needs Assessment that has been prepared by Turley in tandem with this strategic site study. Whilst the strategic sites study focuses on larger regional requirements, there is also relevance from the findings as a key constraint of the market in Newcastle-under-Lyme (and Stoke-on-Trent) is a reliance on obsolete property stock in outmoded locations. The availability of modern, fit for purpose buildings in market facing locations will also attract market interest from indigenous occupiers.

6.2 ENA estimated that as much as 56.5ha of employment land, or as little as 33.1ha, could be needed in Newcastle-under-Lyme between 2020 and 2037. The existing supply of circa 64.8ha – estimated by the Council as of April 2020 – appeared sufficient to meet this need in a quantitative sense, albeit a review by Aspinall Verdi suggested that it was of varying quality with less than a third (20.6ha) categorised as "good".

6.3 The supply position has naturally evolved since the ENA was produced, with the Council now able to confirm the situation as of March 2022, and this can now be compared against the revised economic growth scenario presented – for an extended period to 2040 – in the previous section. This section therefore reconsiders whether the existing supply of employment land in Newcastle-under-Lyme is sufficient, in terms of both quantity and quality, to meet future demand.

6.4 The ENA estimated that as much as 56.5ha of employment land, or as little as 33.1ha, could be needed in Newcastle-under-Lyme between 2020 and 2037. The existing supply of circa 64.8ha – estimated by the Council as of April 2020 – appeared sufficient to meet this need in a quantitative sense, albeit a review by Aspinall Verdi suggested that it was of varying quality with less than a third (20.6ha) categorised as "good".

6.5 The supply position has naturally evolved since the ENA was produced, with the Council now able to confirm the situation as of March 2022, and this can now be compared against the revised economic growth scenario presented – for an extended period to 2040 – in the previous section. This section therefore reconsiders whether the existing supply of employment land in Newcastle-under-Lyme is sufficient, in terms of both quantity and quality, to meet future demand.

Summary

6.6 The ENA identified an existing supply of some 64.8ha of employment land throughout Newcastle-under-Lyme, as of April 2020. While it suggested that this was of varying quality – with less than a third classed as "good" – it did appear to be quantitatively sufficient to meet needs, with the ENA presenting various scenarios which indicated that up to 56.5ha of employment land could be needed over the period to 2037.

6.7 The Council's subsequent monitoring suggests that this supply has since reduced, with only 49.9ha remaining as of March 2022. This reflects the ongoing development of certain sites and the Council's decision to remove others from its supply.

6.8 When compared against revised estimates of future demand – variously based on recent take-up and the revised economic growth scenario presented in the previous section – there now appears to be a greater prospect of a shortfall, with the updated scenarios suggesting that at least 36.5ha, and as much as 68.8ha, could be needed over the slightly extended period to 2040. This could result in a shortfall of up to 18.9ha, or even double this if lower density office development prevails.

6.9 Aspinall Verdi's updated assessment of the supply importantly also suggests that it is likely to erode further in the future, as several sites have progressed or even fully developed out since March 2022. Aspinall Verdi have also identified sites which they consider unlikely to actually deliver employment space. If these sites are assumed to no longer form part of the available supply, it would shrink even further to around 12.1ha, albeit caution should be exercised in directly comparing this to need as some will have contributed towards that over the last year.

6.10 This strongly indicates that new land is required to meet the full scale of potential need over the remainder of the plan period, at least in a quantitative sense. This is only reinforced through Aspinall Verdi's updated consideration of the quality of the remaining supply, with a large proportion continuing to be "average" based on the scoring methodology previously devised by the Council.

6.11 In considering the need for different types of commercial floorspace, a high-level review has been undertaken of the detailed assessment presented in the ENA. With a positive requirement for all types of space – offices, industrial and warehousing – continuing to be identified, there once again appears to be either a quantitative or qualitative shortfall of each, which will require the Council to consider opportunities to add new sites to its existing supply.

6.12 This update has considered the sites identified by the Council as potentially forming part of its future supply, which collectively offer around 72ha of land. Several of these sites are considered to have the potential to respond to evidenced need, albeit while recognising that it is the role of policy to identify them as allocations rather than this study. The Council should nonetheless remain positive in its response to the identification of other sites which respond to the evidenced market need and demand for land. This recognises the results of the business survey, and subsequent discussions with individual businesses, which have highlighted that several have a need for new land and premises to support their plans for growth.

Implications for Strategic Sites

6.13 There is a positive requirement for all types of space – offices, industrial and warehousing – continuing to be identified, there appears to be a quantitative and qualitative shortfall of each, which will require the Council to consider opportunities to add new sites to its existing supply.

6.14 Whilst the site at Junction 16 would appear to be ideal for the regional requirements targeting the M6 Corridor, the site at Talke Roundabout has the potential to provide a high quality business park that will provide a range of accommodation for warehousing, manufacturing and also offices, plus amenity space. It is in a location close to the main conurbation and is served by public transport routes.

7 Demand

7.1 As with the national and regional markets, vacancy rates for industrial space in the Newcastle-under-Lyme/ Stoke-on-Trent market area are low. When further considering that much of the space currently advertised as available for rent is under construction, this further highlights the level of demand for industrial space in the area.

7.2 Rental values for industrial space taken in the area vary considerably dependant on quality and size of space, however remain strong across all asset types. Based on the evidence available it is fair to assume rates in the region of £7.50-£9.50psf for new medium-large sized industrial units in the area.

7.3 Despite strong rental values at present, investment transactions recorded have been dominated by large units which are likely to be occupied by established businesses offering AAA covenants. Securing such occupiers at a pre-completion stage allows developers to dispose of sites at a significantly lower yield, therefore increasing value and return. However, such covenants are only applicable to large, established firms and investors taking on space for start-up businesses or SMEs are likely to require a higher return on their investment, therefore decreasing the asset's capital value and jeopardising development viability.

7.4 Given the strengths of Newcastle-under-Lyme/ Stoke-on-Trent, and the level of developable land in Newcastle-under-Lyme borough, there exists a particular opportunity to capitalise on this demand. It is likely that given the proximity to the national motorway network as well as employment sites of national significance, demand for industrial space in the area will continue. Investor, developer and occupier demand is at record levels in the area, with a lack of development sites the only factor restricting investment being made. It is possible that, should this opportunity not be capitalised on, investors will look elsewhere and the chance to reinvigorate the Potteries area's industrial heritage may pass.

Suppressed Need for Employment Land

7.5 The topic of "suppressed demand" has already been mentioned in Section 4 of this report. It has also been introduced by St Modwen in its representations for site AB2. In essence, this relates to the extent to which pent up demand for land exists in the market through historic under-provision, how this finds expression in the market, and how it should be factored in to the planned for supply of land.

7.6 We have reviewed this note. It introduces the concept and how it can be measured, and then explains how its effects can be recognised through market signals.

Suppressed Demand

7.7 Pent up or "suppressed" demand that might have accrued over an extended period should be fully accounted for in any analysis of the requirement for employment land. This should include land for industrial as well as logistics activity. It is often the case that employment land supply fails to keep up with demand, and economic growth, investment and job creation that would have taken place were this not the case is frustrated, delayed or lost. As such, there are real-world consequences in failing to grapple with the point. Where a shortfall arises and accrues it should be made good through planned for provision.

7.8 We recognise the concept of suppression in demand in the Newcastle and Stoke market is recognised in the ENA. In paragraph 6.71, reference is made to take-up in Newcastle and Stoke reducing in recent years. It states "*This reduction appears to be driven by a lack of availability rather than reducing demand, however, with this area continuing to be viewed as a premier location for distribution, in particular where appropriate sites are available*."

7.9 This pent-up demand has been a common feature in many post-industrial towns in recent years. There are many viable and established companies trading in outmoded and inadequate space because there is no new stock available. As they have no intention of leaving the area, they will manage in their existing units. The strengthening of the industrial market in recent years means that there has been new stock developed and this has led to an upturn of demand from indigenous occupiers as well as inward investors.

7.10 Since the previous study was undertaken in 2020, there has been strong development activity in the manufacturing and logistics sectors. This has seen the completion of all plots at St Modwen's Stoke Central, bar one, and development of a warehouse for Browns Distribution at Chemical Lane. The Speedway Stadium has been redeveloped into a new 350,000sq.ft warehouse, Harworth is developing Chatterley Valley West and Apedale has seen new investment. This will have reduced further the quantitative supply (in terms of number of years) and the range and choice of new premises and sites.

7.11 The model of suppressed demand, has identified that tight supply has resulted in strong rental growth as occupiers compete for limited stock. Our earlier market review has shown how rents for prime big box units in Newcastle and Stoke have moved from £5.25 per sq ft to almost £8 per sq ft over the last 5 years. We agree that this is a clear market signal of pent-up demand being realised with demonstrable activity.

7.12 The report also identifies the market evidence of demand includes the relocation of companies from Newcastle and Stoke because they cannot satisfy their requirements in Newcastle and Stoke. An obvious example is Pets at Home. This company, which had been well established in Stoke, had to move to a new purpose-built warehouse of 670,000 sq ft (with room for expansion) in Stafford as no suitable building or site was available in Newcastle and Stoke.

7.13 Below is a table demonstrating the published 'big box' requirements for the Staffordshire area. Whilst not specifically targeting Newcastle, these requirements give further evidence of the strong demand from local companies and inward investors for large, land-hungry development plots in strategic locations.

Large Logistics/ Industrial Requirements – Staffordshire (Spring 2023)

OCCUPIER	LOCATION	SIZE BAND SF	COMMENTS
Logistics	Midlands	100,000 – 200,000	3PL on major acquisition drive across the UK.
Logistics	North / Midlands	100,000 – 200,000	Northern 3PL looking to grow into the Midlands.
Logistics	Staffordshire	500,000	Contract led requirement
Environmental	Staffordshire	150,000	Biomass new co manufacturing.
Distribution	Staffordshire	300,000	Distributor. Requirement for new contract.
Manufacturing/ Logistics	Staffordshire	400,000	JCB looking to expand for contract led requirement
Logistics	UK	200,000 – 400,000 3PL	looking to acquire circa 5m sq ft next 24 months
Digital	Cannock/Stafford	200-400k	Looking at buildings from 200-400k.
Logistics	Stafford	475,000	Occupier looking to consolidate in one building
Electrical Distribution	Dunston	200,000	Local business looking at space c.200k locally.
Logistics	Staffordshire	250,000	Contract led search

Findings

7.14 As the ESG agenda prevails in coming years, there will be a large volume of older and outdated stock that will become obsolete. That is a particular problem in the Potteries area, where many manufacturing companies have been established for a number of years and are occupying sub-par space. With supply of grade A space in decline, this increasing demand presents a significant opportunity for regional manufacturing centres such as Newcastle-under-Lyme/ Stoke-on-Trent to restructure their property market, by providing high-quality space in strong out-of-town locations whist freeing-up town centre sites for residential regeneration.

7.15 Whilst the area has a number of characteristic strengths, several limitations also exist. We consider that the continuing connectivity enhancements in Newcastle-under-Lyme/ Stoke-on-Trent Council areas will likely facilitate the creation of a better/ more competitive business environment – therefore attracting a larger number of occupiers to locate there.

7.16 We have already documented the strong demand for industrial property in Newcastle-under-Lyme/ Stoke-on-Trent. This has meant rising rental and sales values and yield compression. In turn, this has led to increasing land values and this has all led to improved economic viability.

7.17 The pandemic has emphasised the importance of logistics to the national economy and this region, with the strongest-ever growth in ecommerce sales. This growth is set to continue and will drive the need for more space. Newcastle-under-Lyme/ Stoke-on-Trent remains an important manufacturing base, with particular expertise in Advanced Manufacturing, Ceramics, Energy and Medical Technology.

7.18 Demand for urban logistics warehouses has increased dramatically over the past five years and. after an initial pause at the beginning of the Covid-19 outbreak, the market continues to witness strong activity for larger distribution warehouses equal to or greater than 100,000 sq ft and there is no sign of this stopping.

7.19 It is positive for Newcastle-under-Lyme/ Stoke-on-Trent that we can expect that demand for units sized between 30,000 sq ft and 150,000 sq ft, located in proximity to conurbations and main roads, will continue to grow and the location will see continued interest from the logistics sector.

7.20 Regional and national distribution centres will require greater space and perhaps more cubic capacity. Whilst these centres will target locations close to the regional centres along the M6 corridor and will pay premiums to locate there; positively, we will witness more demand for satellite urban logistics units to decrease delivery times to the sub-regional locations.

7.21 This appetite for space means that the supply of available warehouses in the UK remains constrained and the availability of development land has been eroded significantly over the past few years. It will also mean that activity in the market will not be confined to the core (overheating) market areas.

7.22 It is, therefore, the customer who is driving demand in the sector and as innovations move forward, this demand is set to remain strong. This strength in demand will give continued confidence to the investment market, which has seen logistics become of the strongest asset classes.

7.23 The A500/ A50 corridor linking with the M6 has clearly benefited the area, with its ability to service the area, as well as parts of the East Midlands conurbation. The travel times to the Port at Holyhead also makes this area favourable to logistics development.

7.24 This strategic location has an opportunity to attract those occupiers who want a modern workspace, close to where their workforce live. There is a large population to serve from local delivery base, who do not need such rapid access to market and companies happy to work in locations with a lower cost base. There are many of these occupiers around.

7.25 In summary, there is robust demand evident for land in Newcastle-under-Lyme and surrounding areas. We believe this is real demand from the market and this is exacerbated by the pent up demand for land exists in the market through historic under-provision, how this finds expression in the market, and how it should be factored in to the planned for supply of land.

8 The cases for Exceptional Circumstances

8.1 The three sites lie in the Green Belt. An alteration to the Green Belt boundary to support such an allocation requires the demonstration of “exceptional circumstances”. It is not the purpose of this study to decide whether or not there are exceptional circumstances, but it is appropriate to consider the merits of each site against the tests put forward in the National Planning Policy Framework (NPPF).

Policy

8.2 In considering the alteration of Green Belt boundaries the NPPF provides (paragraph 140) that; *“Once established, Green Belt boundaries should only be altered where exceptional circumstances are fully evidenced and justified, through the preparation or updating of plans.*”

8.3 Four key points arise from this.

- Green Belt boundaries can only be altered through the plan making process; the Green Belt cannot be amended through planning applications.
- They can only be altered where “exceptional circumstances” have been demonstrated; it is this point that is considered in this Note.
- An assessment of exceptional circumstances should be informed by consideration of whether all other reasonable options for meeting the need for development have been examined. The existing evidence base, which identifies that the only locations within the Borough suitable to meet the need for strategic employment land are within the Green Belt.
- Consideration should be given to a range of factors once it has been concluded that Green Belt release is necessary. Matters to examine include the accessibility by public transport, and improvements to the environmental quality and accessibility of remaining Green Belt, that can be achieved on the sites that are being considered.

Exceptional Circumstances

8.4 Local Planning Authorities are entitled to use their professional judgement about Green Belt release. The reasoning to support circumstances in which a Green Belt allocation can be made can be general, broad and strategic.

8.5 “Exceptional circumstances” arise through a single factor, or through the accumulation or combination of factors of varying natures. Such factors might individually be quite ordinary. It will be for the decision-maker in the rational exercise of planning judgement to determine whether the circumstances are sufficiently exceptional such that alteration to the Green Belt boundary is warranted.

Exceptional Circumstances and the Newcastle-under-Lyme Strategic Sites

8.6 Taking into consideration, the points noted above, we have considered each of the three sites in turn and considered whether each site has the necessary characteristics that can justify that exceptional circumstances exist and that alteration to the Green Belt boundary is warranted.

AB2 - Junction 16

8.7 Detailed evidence to demonstrate how exceptional circumstances exist to justify release from the Green Belt of land at Junction 16 for the type of development promoted by St Modwen has been submitted through the Local Plan consultation process to date. In summary, the case is founded on a series of factors including:

- The quantum of market demand for a site on the M6 corridor in this location has been presented. There is specific, clear, immediate and well evidenced need for a strategic site or sites to accommodate large scale employment development to serve a particular market sector – i.e. big box distribution – over a sustained period.
- All sites identified by the Council capable of meeting this need within the Borough are in the Green Belt.
- There are no other reasonable options to meet the identified need for this market sector in Newcastle and Stoke or in the neighbouring Borough of Cheshire East, whose borders run close to Junction 16, and along the wider M6 corridor for this stretch of the motorway.
- There are clear economic benefits to capture from Business Rates and large-scale employment generation;
- The land at Junction 16 was not assessed as part of Arup's Green Belt Report. As such, we believe it makes a weak contribution to Green Belt purposes.[14] It is used for agricultural land and there are no ecological designations or habitats. The site is linear and is immediately adjacent to a very busy motorway and a trunk road
- Significant opportunities exist for mitigation around the Junction 16 site through green infrastructure improvements and the enhancement of pedestrian access.
- The site is well defined, by the M6 to the west, A500 to the north, and elsewhere by minor roads and hedge lines. Its allocation would result in the formation of strong, defensible Green Belt boundaries in this location.

KL15 –Barker's Wood, Keele

8.8 The University has provided detailed evidence to demonstrate how exceptional circumstances exist to justify release from the Green Belt of land at Keele University for the type of development promoted has been submitted through the Local Plan consultation process. In summary, though, the case is founded on a series of factors including:

- There is a specific, clear, immediate and well evidenced need for a strategic site or sites to accommodate the future growth of the University, including its Science Park – a site of strategic importance to the Stoke and Staffordshire Economic Partnership's Economic Strategy;
- The University plans to develop six further Innovation Centres, providing 17,000sq.m (185,000sq.ft) of floorspace;

[14] Newcastle-under-Lyme Borough Council and Stoke-on-Trent City Council Green Belt Assessment (2017)

- The site is unique in the borough and cannot be compared against any other. The University is one of the largest employers in the borough. It is a wealth creator with levels of pay considerably above the local average. It will continue to attract spin-out and spin-in development from companies wishing to co-locate and benefit from the research being undertaken;
- The evidence asserts that it is not possible to reproduce the opportunity anywhere else in the borough; as nowhere else has the co-location and critical mass of a leading university, the concentration of knowledge-based industries specialising in key growth sectors of the Staffordshire economy;
- The University asserts that this is the only suitable site for an extension of their campus, which will enable a necessary expansion of the University (student, academic numbers, volume of research and number of faculties);
- The new allocation of employment is part of a proposal by the University for a sustainable urban extension that includes residential uses. The residential element would provide a mix of housing types and tenures and would be aimed at recent graduates of the university;
- The University's Masterplan includes significant improvements to public transport with the development of a new bus interchange immediately north of the main entrance to the University. This will enable the provision of several new bus routes;
- There will be green infrastructure improvements and the enhancement of pedestrian access; there will be onsite power generation from the wind turbines and the Smart Energy Demonstrator;
- The site is reasonably well defined with Keele Road to the north and the eastern boundary defined as a cleared site within Hands Wood. To the west is the previously allocated and part-developed Keele Science Park. Its allocation would result in the formation of strong, defensible Green Belt boundaries in this location; and
- No part of the Green Belt proposed for release in the masterplan makes more than a moderate contribution to the purpose of the Green Belt.

TK30 – South of Talke Roundabout

8.9 The site promoter has not submitted detailed evidence to demonstrate how exceptional circumstances exist to justify release from the Green Belt of land known as TK30 South of Talke Roundabout for the type of development promoted by Harworth Group. We understand that the finalisation of option/ land promotion agreements is ongoing. The developer is also undertaking due diligence on the site to mitigate perceived difficulties. We have met the team promoting the site and their case is based on the following factors:

- Harworth his developing out the large strategic site at Chatterley Valley West nearby. The developer is on site and preparing the site, but construction has not yet started. Even so, there is strong market interest and the developer is confident that the site will fill up rapidly and there will be no surplus land. This site is seen as Phase 2.

The developer believes that this level of demand demonstrates that there is a need for a strategic site or sites to accommodate large scale employment development, over a sustained period, in this location. As yet, this has not been presented as specific, clear, immediate and well evidenced.

- All sites identified by the Council capable of meeting this need within the Borough are in the Green Belt. The main advantage of this site is that it is close to the conurbation and close to bus routes.
- This site is a reasonable option to meet the identified need for this market sector in Newcastle and Stoke. It will appeal to footloose occupiers targeting the M6 Corridor and also local companies looking to relocate into modern, fit for purpose, ESG compliant buildings;
- The land is in the Green Belt. It is not a sensitive site. It is used for farmland with no ecological designations;
- The development would be a logical extension of Crackley;
- Any development would need to respect the setting of the nearby Wedgewood Monument. There are TPOs and woodland on the site;
- Significant opportunities exist for mitigation around the TK30 South of Talke Roundabout site through green infrastructure improvements and the enhancement of pedestrian access;
- Renewable energy sources could be included on any buildings subject to demand and policy requirements;
- The site is well defined A500 to the north and elsewhere by Talke Road to the east and Deans Lane to the south and hedge lines in the west. Its allocation would result in the formation of strong, defensible Green Belt boundaries in this location.

9 Site Appraisals and Deliverability Analysis

9.1 We have analysed each of the sites individually and have utilised the previously agreed comparable scoring system to benchmark and provide comparable analysis. We have scored in the light of the surveys and also the information that we have gathered during the individual meetings we have held with the individual promoters during the course of this study.

9.2 It is clear from the meetings that the AB2 and KL15 are considerably ahead of the promotion of TK30. The promoter/ developer and land owner of these have respectively been working with the local authority for several years and have produced well evidenced cases with mitigation measures in place.

9.3 The promoter of TK30 has developed an outline masterplan and has progressed some due diligence on access routes and utilities, but the option agreements are still in legals and it is only when these are complete that the company board will release the funds necessary to investigate site conditions and utilities provision. As the company is developing Chatterley Valley West and their specialism in bringing forward complex sites, they are confident that they can deliver the site.

9.4 We have provided summaries of the scoring below. The proformas detailing the considerations are provided as Appendix 1.

Site Appraisal – Junction of M6/ A500 (AB2)

9.5 The summary of the scoring for this site is shown below. The weakness is obviously its rural location and separation from the conurbation and amenities. There has been considerable effort put in with regard to mitigation and we are confident that there will be no issues with regard to sufficient power,

Classification	Score
Market Signals	16
Physical Signals	15
Sustainability Signals	13
Grand Total	**43**

Delivery Analysis

9.6 As stated previously, if the site was to be allocated, the developer would be ready to move quickly as extensive due diligence has been undertaken. It is a large, well-resourced developer with a significant track record and strong local knowledge and relationships.

Strengths / Opportunities	• Location is directly on to the M6; • It is a premium location for large distribution and manufacturing companies;

	• This site gives rapid access to markets in the North West and West Midlands; plus, the Ports at Liverpool and Holyhead and Manchester and Birmingham Airports; • St Modwen is a well-resourced and knowledgeable developer with a track record of delivery • The site is large and the topography is not too challenging; • Site has storing profile from both roads, adding to market appeal; • Full design team in place, this includes JLL as agent; and • Numerous published requirements for this broad location.
Weaknesses / Constraints	• Currently Green Belt site that is isolated and disconnected from Audley and Bignal End settlement.; • Isolated from the main conurbation; • Right on the edge of the borough (and the region), which means that economic impact on N-U-L is diluted, • Access via Park Lane and Moat Lane are single laned roads with no footpaths or street lighting • Power and Utilities do not directly supply the site; • It is distant from public transport links; • No local services nearby (Travelodge, Petrol Filling Station, KFC are across the road; and • Part of the site is in Flood Zones 2 and 3
Risk Mitigation	• The developer is aware of the constraints and has invested considerable expense into due diligence to mitigate these risks; • The main access point remains the north west corner, but there is alternative access point in the north east, which works equally as well; • Masterplan incorporates a Lorry Park, which will take lorries off the A500 lay-bys; • Utilities Strategy has been prepared to ensure that gas, power and electric are all available. There will be an on-site primary sub-station and this can be delivered and the site remains viable; • Plans for funding bus routes are being formulated.
RAG Rating	Due to planning uncertainty, we have to rate this site as an amber. It is in the green belt, it is distant from the nearest settlements and is not connected well with regard to public transport. If the assessment was to focus on delivering what the market wants, then this site would be a vibrant green. It is being promoted by a leading national developer with a very strong balance sheet. It is in a location that would be prized by occupiers. The developer has invested substantial funds on risk mitigation. There is a strong demand for logistics development in the north

	Midlands and M6 Corridor. There would be substantial economic benefits for the council from business rates and large numbers of jobs for the local population.
Timescale	If the promotion was to be successful and the site was allocated in 2024, then the developer would commence works immediately. They would anticipate 12 months for an Outline Planning Application with Reserved Matters. They would then hope to start infrastructure works in 2025 and complete these by 2027. In Q2 2028. 'Big Box' development would commence with PC by 2029.
Delivery	**St Modwen Logistics** is a developer with a national reputation. It has a long history of developing in the Stoke-on-Trent area. It designs, builds, owns and manages high-quality industrial and logistics assets in the UK (Logistics). It has portfolio of over 10 million sq.ft. It is part of a company with a 50 year history of development. The company has three business units: St. Modwen Homes, St. Modwen Industrial & Logistics and Strategic Land and Regeneration It is headquartered in Birmingham and has a network of four regional offices across the UK.

Site Appraisal – Land at Barker's Wood, Keele (KL15)

9.7 The site at Keele scores the highest of the three sites. It fulfils all of the characteristics of a Strategic Regional Investment site. It stands apart from the local office market as it only targets 'Knowledge' and R&D focused businesses. It also scores lowest on sustainability factors. Whilst there are mitigation measures drawn up (the bus interchange for one), its remoteness from access to the strategic road network is a negative.

Classification	Score
Market	17
Physical	19
Sustainability	12
Grand Total	**48**

Delivery Analysis

9.8 There are no concerns that if this site is allocated, then a high-quality development with exemplary design and sustainability standards will be developed. The University keeps tight control of its land and assets and is committed to expansion. There are concerns over the pace of delivery. The site known as KL13 is not developed out.

9.9 The delivery would benefit from the introduction of a commercial developer/ investment fund to partner with the university and help to realise the commercial potential of the research being undertaken in key growth sectors.

Strengths / Opportunities	• Location immediately adjacent to University of Keele; • University has sectoral strengths in several regional and national strategic sectors; • Plentiful land for development; • The model of seamless integration of academia, innovation and commerce is leading-edge best practice for maximising the benefits of spin-off/ spin-in development; • High quality environment ideal for R&D/ Science Park uses; • Highly skilled workforce; • Mixed-use leisure and retail assist in placemaking. • On site power generation; and • Medical and Energy are two leading research disciplines.
Weaknesses / Constraints	• Site KL13 has had an allocation for a considerable period of time and the pace of development has been slow; • There are charity buildings, teaching buildings and a hotel as part of this mix; • Location is close to the M6, but access to the nearest junction is slow; • The nearest mainline railway station is Stoke-on-Trent; • There is one bus route from the centre of Newcastle-under-Lyme, this terminates at Keele Village and then returns; • The site has limited access to a range of services and facilities. • The University does not want a commercial development partner and prefers more organic growth; • Two Biodiversity Alert Sites (Barker's Wood and Rosmary Hill Wood) partially adjoin the eastern boundary; • Site of Biological Importance (Springpool Wood) partially adjoins the western boundary; and • Keele Hall Registered Park and Garden also adjoins the western boundary.
Risk Mitigation	• The plan is for a genuinely integrated science and Innovation Park. The University has grown to 12,000 students and plans further sustained growth to 15,000 by 2025 and 20,000 during the period 2030-2040. • There is a ten-year, £200 million capital investment plan to help realise this ambition. The extra land is a key part of that growth ambition. They will probably fund through Prudential Borrowing;

	• They have a full consultancy and design team in place. A masterplan has been prepared, an Economic Impact Assessment has been commissioned to demonstrate Net Value Added and a development appraisal shows viability; • A transport strategy with a bus interchange has been prepared; • There is on-site energy generation; • It is a mixed-use sustainable urban extension with a seamless mix of employment, innovation, academia with places to live and socialise; • They do not want a commercial partner so that they keep control. • Site promotor has indicated approximately 15% of the site could be developed for residential purposes, but is yet to specify an exact number.
RAG Rating	This is an important site in the borough. The University is one of the three largest employers, It employs highly skilled and educated research and academic staff with high value added economic benefits. It also employs many local people in supporting and facilities management roles. The university needs to grow and additional land is needed to facilitate this expansion. At the current pace of development, it will take until the mid-plan period (at least) to fill up the KL13 site. We do not doubt that this is very important site for Newcastle-under-Lyme and the wider region. The expansion needs to happen and there is genuine research excellence in growth sectors. The pace would be quicker if an investment partner was chosen.
Timescale	2027 onwards
Delivery	University of Keele.

Site Appraisal – Land to the South of Talke Roundabout (TK30)

9.10 This case for this site is not quite as compelling as the previous two, with challenging topography and site conditions as well as the green belt and heritage issues. The promoter/ developer is slightly behind the other two sites in the development story. What is clear is that it is in an attractive market location and it is close to the edge of the existing conurbation and is near to established bus routes.

9.11 The site is a longer term proposition than the other two and it is unlikely to deliver buildings before the second half of the plan period.

Market	15
Physical	11
Sustainability	13
Grand Total	**39**

Delivery Analysis

Strengths / Opportunities	• Location is very close to the Strategic Road network with access to the A500 from Talke Roundabout; • Three miles to Junction 16 of the M6; • Strong market demand for this broad location and possible close enough to be considered M6 Corridor; • It is in close proximity to the new development at Chatterley Valley West with probable synergy between the two (Harworth Group is behind both); • Chatterley Valley is experiencing very strong demand from local business and possible inward investors, this is viewed as Phase 2; • Existing bus routes pass close by; • The site is close to the northern west edge of the Newcastle conurbation, which makes it accessible to the local population; and • Existing professional team would be retained.
Weaknesses / Constraints	• The site is not easy to access from A500; • Currently a Green Belt site falling within Talke & Butt Lane ward with some overlap into Crackley & Red Street ward; • The setting of the Grade II Listed Wedgewood Monument needs to be respected; • The site poses challenges in respect of land assembly, topography, highway access and public transport connectivity • Access is proposed off Talke Road and Dean's Lane. Talke Road has no public footpaths on the site side, and no street lighting. Dean's Lane has no footpaths or street lighting. • The site has poor access to a range of services and facilities. • The former Wedgewood Colliery was located here, leaving a legacy of a development high risk area, • Public Right of Way and Tree Preservation Orders place further restrictions on the site.
Risk Mitigation	• The promoter is investing in technical studies to support the original masterplanning work; • The site is promoted for housing, employment, open space and renewable energy; • Power due diligence is underway, but no real concerns due to existing knowledge from the site at Chatterley Valley West; • Local knowledge and history of the company means that they do not see the High Risk area for development as a barrier.

RAG Rating	This is a well-located site that is being promoted by a very credible developer with a national reputation for remediating large former heavy industry sites and in their place creating high quality mixed-use developments. The site at Chatterley Valley West is underway with site remediation and levelling ongoing. There has been strong levels of interest from potential occupiers and their representatives. The site is green belt, but is close to the settlement boundary on the edge of the conurbation. It is close to bus routes. Power and Utilities connections are available nearby. Despite these positives, there is still a long journey before there could be any certainty in the deliverability of the site. An initial masterplan has been prepared, options are agreed, but not finalised and until these have completed, substantial funds will not be allocated by the developer. As such, even with a fair wind, we cannot see development happening until the second half of the plan period.
Timescale	No timescale has been provided, but the options with the farmer have not completed and little liaison with the planners. It is difficult to see a start on site preparation before 2027 and PC of first building by 2031.
Delivery	**Harworth Group plc** is a very credible delivery agent. It is one of the leading land and property regeneration companies in the UK, owning and managing over 15,000 acres on around 100 sites in the North of England and the Midlands. It is the successor company from the former property division of UK Coal. It is a mixed-use developer and its flagship sites at Waverley in Rotherham and Logistics North in Bolton, are of national economic significance.

10 Viability Appraisal Results

10.1 This section of the report provides a summary of the appraisals that were undertaken. This is for guidance only and does not represent valuation advice.

10.2 The appraisals are based on the proposed quantum of development demonstrated for by the respective promoters. We have seen masterplans, but these are not based on architect's drawings and we have not been provided with any cost plans prepared by Quantity Surveyors. These are based on high level development scenarios only.

10.3 In order to benchmark the performance of the market for large, new build developments of strategic importance and inform pricing on the subject site, we have researched the local market. This is presented earlier in this report.

Caveat

10.4 We have been asked to provide high level development appraisals on three potential strategic employment sites in Newcastle-under-Lyme. We have not been asked to provide any valuation advice. This opinion is not a Red-Book valuation and is to be used solely to inform the officers of Newcastle-under-Lyme Borough Council. Any values discussed are based on estimated values only at the time of this report.

10.5 The appraisals are not based on plans with estimates on size and layout of the units. We have not carried out any inspection or measured survey, have not been provided with any legal analysis upon leases or titles and have not undertaken any research of an external nature. There has not been high-level Cost Plan prepared by Quantity Surveyors. The appraisals have not been prepared in accordance with the RICS Valuation Standards.

10.6 The appraisals have been arranged in the order presented in the consultants' brief. The figures are indicative only and may alter once more detailed information is available.

Land at Junction 16 of the M6 – Ref AB2

10.7 This is a site promoted by St Modwen Logistics. In terms of commercial appeal it is a prime site on the M6 Corridor. The site will command prime rents in the area and will be an attractive proposition for purchase by institutional investors. The terrain is gently sloping farmland with no known site conditions. The developer will need to purchase the land off the land owners, but even after that, this is a viable development.

Land at Barkers Wood, Keele (Keele University) – Ref KL14 and KL15

10.8 This is expansion land for the University Campus and is not exclusively employment land. The appraisal is based on land allocated for six Innovation Centres. These are planned for the co-location of academia with research and commerce. This is best practice in fostering innovation, but makes the complicates the matter of assessing commercial viability. We have based our appraisal on this commercial space. The scheme is viable. As the University owns the land, funds the construction of the building and manages the completed stock, it has control over the development. We understand that it wants to retain this control for future phases.

10.9 The introduction of a development/ investment partners may help to commercialise the research bring undertaken by the University and would also speed up the pace of the delivery. Recent investment by Legal and General/ Bruntwood in commercial development around the Universities of Manchester and Liverpool is a demonstration of this. This is a decision that needs to be taken by the Senior Leadership team of the University.

10.10 We have seen a copy of the Planning Promotion document for the full Sustainable Urban Extension. This includes the Science & Innovation Park and over 1,000 homes plus transport infrastructure.

10.11 This scheme also demonstrates viability; albeit with some very high costs causing a drag on land value.

Land off Talke Roundabout/ A500 – Ref TK30

10.12 This is a very strong commercial location only four miles from the M6. The site is located in a 'danger area' for development and we have reflected this consideration by adopting a higher contingency figure. We have also made an allowance for remediation.

10.13 We have assumed a development period of 6 years. This may go up or down depending on the economic circumstances at the time of development.

10.14 This masterplan details a mixed-use scheme with 400 homes on the south side of the site. We assume this will be a mixed tenure scheme in common with other Harworth developments. We have not included this in the development appraisal and have focused on employment only.

.

11 Conclusion

11.1 The provision of land for new strategic sites will enable Newcastle-under-Lyme/ Stoke-on-Trent maintain its position as the best manufacturing and logistics base in its area of influence. The area needs to compete with locations like Crewe and Stafford and the council needs to make sure they have a pipeline of new, well-located developments coming forward – or occupiers will go elsewhere.

11.2 The result of this investment will be new manufacturing, distribution and office premises in accessible locations that serves the Newcastle-under-Lyme/ Stoke-on-Trent. There will be strengthening demand from employers in a range of sectors. There will be new inward investment from companies wanting to be close to major industrial facilities and those wanting it as base to service North Staffordshire, East Cheshire and the wider area. There will be a certain amount of in-borough relocation, as companies move from outmoded buildings and locations into modern, accessible stock.

11.3 There will be continuing growth in rental and sales values and this will have a positive impact, with strong evidence of land value uplift.

11.4 It is clear when we analyse the three sites of this study, each of them has the necessary characteristics for servicing these particular sectors. Keele does not have ideal connections to Strategic Infrastructure; but its impact on the local and regional economy and the leading-edge research in key growth sectors, means that it has to be acknowledged as a regional strategic site.

11.5 There is a clear regional rationale for the allocation of at least two Strategic Sites in Newcastle-under-Lyme. Research activity at Keele University is mentioned several times in the LEP's Economic Strategy. Its expertise in Energy, Medical Technology and Applied Materials is attracting serious commercial interest from multinational companies such as Siemens.

11.6 The area is moving towards a more service-oriented economy, particularly logistics and distribution. Looking at the backbone of the North Staffordshire economy, large employment sites, if utilised, will benefit the region. While Newcastle-under-Lyme has large employment sites that can be used as a harbinger for economic development Newcastle-under-large Lyme's employment site development provides an opportunity to absorb local residents who commute to nearby local authorities to look for work.

11.7 Looking at the key performance indicators, the Newcastle-under-Lyme market remains buoyant, although the current economic downturn has had a significant impact on the real estate sector. Rental values have actually increased, even though land values have slightly decreased across the borough. Average market values in the local authority are higher than the average market values per square foot in Shropshire and Staffordshire.

11.8 The strategic location of the local authority is a comparative advantage from which the Borough benefits, and it has remained attractive to both investors and logistic businesses. The vacancy rate, which determines demand, remains low in the area. The availability rate, which indicates the supply of property, has been quite low.

11.9 There is a positive requirement for all types of space – offices, industrial and warehousing – continuing to be identified and there appears to be a quantitative and qualitative shortfall of each, which will require the Council to consider opportunities to add new sites to its existing supply.

11.10 Whilst the site at Junction 16 would appear to be ideal for the regional requirements targeting the M6 Corridor, the site at Talke Roundabout has the potential to provide a high-quality business park that will provide a range of accommodation for warehousing, manufacturing and also offices, plus amenity space. It is in a location close to the main conurbation and is served by public transport routes.

11.11 This strategic location has an opportunity to attract those occupiers who want a modern workspace, close to where their workforce live. There is a large population to serve from the local delivery base, who do not need such rapid access to market and companies happy to work in locations with a lower cost base. There are many of these occupiers around.

11.12 In summary, there is robust demand evident for land in Newcastle-under-Lyme and surrounding areas. We believe this is real demand from the market and this is exacerbated by the pent up demand for land exists in the market through historic under-provision, how this finds expression in the market, and how it should be factored in to the planned for supply of land.

11.13 It is for the Local Authority to decide if there is a case for Exceptional Circumstances. It is our belief that the promoter of AB2 has proved there is an exceptional level of market demand for Logistics space in the borough and there are considerable revenue and economic benefits to the borough. The land at KL15 enables the expansion of Keele Science and Innovation Park – a site of local and regional economic importance. The site TK30 has not proved its case at this time, but we believe that it can put a solid case forward once the necessary funds can be drawn down by the promoter.

11.14 The appraisal results show that KL15 scored highest, then AB2 with TK30 the lowest score. The scores took note of mitigation measures that have been put in place by the promoters. These were explained to us and evidenced in consultation meetings.

11.15 The high-level development appraisals that were undertaken for each of the sites did not raise any concerns. Each of the sites showed healthy viability. KL15 and TK20 are both part of mixed-use developments. The appraisals only focused on the employment elements.

11.16 The three sites are all being promoted by very credible parties, with a considerable track record. There are no real qualms over deliverability. Sites AB2 and KL15 will be ready to progress in the short – medium term. TK30 is more of a medium to long term proposition.

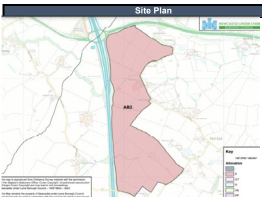
11.17 We would recommend therefore that AB2 and KL15 are progressed as Strategic Employment sites. We are of the opinion that such is the level of demand for large logistics and manufacturing requirements that the site at Junction 16 may become fully developed in a short period of time. As such, there may still be a requirement for land and the land at Talke roundabout would be a strong option.

Appendix 1 – Site Proformas

DRAFT - Strategic Site/Premises Assessment Proforma

General Information:

Site Reference No.	AB2	Planning Status	Green Belt
Site/Premises Name	Land at Junction 16 of the M6	Status (Existing / Current Use)	Vacant land
Market Area	A500 Sites	Size of Site (ha)	68.91
		Estimated NDA (ha)	54.38

Site Plan	Site Photograph
	

A. Market Signals		Score
Development Opportunities	Space for expansion / new buildings without having to re-develop / demolish existing buildings (5)	5
	Capacity to significantly expand / extend / intensify existing buildings on site as they are still appropriate / suitable for the site (4)	
	Area(s)/Site(s) with existing building(s) that have the potential to be redeveloped (3)	
	Limited space for minor extension(s) to existing buildings (2)	
	No space to expand / opportunity sites within / adjacent to the site (1)	
Nature of current and potential market appeal to occupiers	High Level of National and International Companies (3)	3
	Limited presence of National and International Companies (2)	
	No national or international companies, exclusively Staffordshire based (1)	
Existing evidence of and/or potential for clustering effect	A large cluster of high tech / value businesses providing for specific niche or sector in the market (4)	3
	A large cluster of low tech / value businesses (3)	
	A small cluster of related businesses (2)	
	The site is a single building with no clustering effect (1)	
Current vacancy levels / perceived market demand	90 - 100% occupancy (5)	5
	80 - 90% occupancy (4)	
	60 - 80% occupancy (3)	
	40 - 60% occupancy (2)	
	Less than 40% occupancy (1)	
Market Total		**16**
Potential / Alternative uses	B8	

B. Physical Signals		Score
Prominence	Visible from the major road network (5)	5
	Visible site on a main road or prominent estate (4)	
	On a main road or prominent estate, but concealed away from view (3)	
	Visible from a minor road or estate (2)	
	Accessible from a residential road with no visible entrance(1)	
Building Age	Post 2010 (5)	
	2000- 2010 (4)	
	1990- 2000 (3)	
	1970-1990 (2)	
	Pre 1970 (1)	1
Condition of premises / ground condition	Good (4)	4
	Average (3)	
	Poor (2)	
	Derelict (1)	
External Environment	Excellent quality environment (5)	5
	High quality environment (4)	
	Average quality environment (3)	
	Below average quality environment (2)	
	Poor quality environment (1)	
Physical Total		**15**

B. Sustainability Signals		Score
Strategic Access	Within 1 km of a strategic road junction (5)	5
	Within 2 km of a strategic road junction (4)	
	Within 3 km of a strategic road junction (3)	
	Over 3 km from junction or access and / or through constrained / local roads / or through city/town centre or residential areas (2)	
	Over 5 km from junction or access and / or through constrained / local roads / or through city/town centre or residential areas (1)	
Local Access	Easy access to strategic road network with no congestion hotspots on route (4)	4
	Site only has one congestion hotspot on route to the strategic road network (3)	
	Site has multiple congestion hotspots on route to strategic road network (2)	
	The site is either: directly adjacent to a congestion hotspot and has multiple hotspots on route to strategic road network or; its main access route(s) are unsuitable for the type of traffic it takes and has multiple congestion hotspots on route to strategic road network (1)	
Public Transport	Within a 10 min walk of main bus route, train station or cycle lanes (3)	
	Greater than a 10 min walk of main bus route, train station or cycle lanes (2)	2
	No services within close proximity (1)	
Proximity to urban areas and access to labour and services	Adjacent to a City, Town, District or Local centre; good pedestrian access residential areas and regular public transport (5)	
	Near to a City, Town, District or Local centre; good pedestrian access residential areas and regular public transport (4)	
	Easy site access to a City, Town, District or Local centre; and with reasonable access to local services and regular public transport (3)	
	City, Town, District or Local centre is not easily accessible with limited access to local services and regular public transport (2)	2
	Remote site, no services or residential areas in the vicinity (1)	
Sustainability Total		**13**

GRAND TOTAL		44

Description

This site is located immediately to the south of M6/A500 interchange. It borders the A500 to the north and the M6 to the west but is otherwise surrounded by fields. The site extends to approximately 69.91ha and is located in the Green Belt. The site also has a sloping topography and comprises of fields used for farming.

Strengths

- Location is directly on to the M6;
- It is a premium location for large distribution and manufacturing companies;
- This site gives rapid access to markets in the North West and West Midlands; plus, the Ports at Liverpool and Holyhead and Manchester and Birmingham Airports;
- St Modwen is a well-resourced and knowledgeable developer with a track record of delivery
- The site is large and the topography is not too challenging;
- Site has storing profile from both roads, adding to market appeal;
- Full design team in place, this includes JLL as agent; and
- Numerous published requirements for this broad location.

Weaknesses

- Currently Green Belt site that is isolated and disconnected from Audley and Bignal End settlement.;
- Isolated from the main conurbation;
- Right on the edge of the borough (and the region), which means that economic impact on N-U-L is diluted,
- Access via Park Lane and Moat Lane are single laned roads with no footpaths or street lighting
- Power and Utilities do not directly supply the site;
- It is distant from public transport links;
- No local services nearby (Travelodge, Petrol Filling Station, KFC are across the road; and
- Part of the site is in Flood Zone 2 and 3

Mitigation

- The developer is aware of the constraints and has invested considerable expense into due diligence to mitigate these risks;
- The main access point remains the north west corner, but there is alternative access point in the north east, which works equally as well;
- Masterplan incorporates a Lorry Park, which will take lorries off the A500 lay-bys;
- Utilities Strategy has been prepared to ensure that gas, power and electric are all available. There will be an on-site primary sub-station and this can be delivered and the site remains viable;
- Plans for funding bus routes are being formulated.

There is reassurance that these access issues can be overcome and the developer has carried out early engagement with statutory bodies. We understand that St Modwen has had discussions with Highways England on the capacity of the junction for development. Preliminary work suggests potential capacity at J16 but a potential issue is the loss of the A500 layby for an exit slip road and re-provision of the layby.

Overall Site Grade

Good

DRAFT - Strategic Site/Premises Assessment Proforma

General Information:

Site Reference No.	KL14 and KL15	Planning Status	Green Belt
Site/Premises Name	Land at Barkers Wood, Keele	Status (Existing / Current Use)	Vacant land
Market Area	Keele University	Size of Site (ha) 18.1ha	
		Estimated NDA (ha) 12.15ha	

Site Plan	Site Photograph
	

A. Market Signals		Score
Development Opportunities	Space for expansion / new buildings without having to re-develop / demolish existing buildings (5)	5
	Capacity to significantly expand / extend / intensify existing buildings on site as they are still appropriate / suitable for the site (4)	
	Area(s)/Site(s) with existing building(s) that have the potential to be redeveloped (3)	
	Limited space for minor extension(s) to existing buildings (2)	
	No space to expand / opportunity sites within / adjacent to the site (1)	
Nature of current and potential market appeal to occupiers	High Level of National and International Companies (3)	3
	Limited presence of National and International Companies (2)	
	No national or international companies, exclusively Staffordshire based (1)	
Existing evidence of and/or potential for clustering effect	A large cluster of high tech / value businesses providing for specific niche or sector in the market (4)	4
	A large cluster of low tech / value businesses (3)	
	A small cluster of related businesses (2)	
	The site is a single building with no clustering effect (1)	
Current vacancy levels / perceived market demand	90 - 100% occupancy (5)	5
	80 - 90% occupancy (4)	
	60 - 80% occupancy (3)	
	40 - 60% occupancy (2)	
	Less than 40% occupancy (1)	
Market Total		**17**
Potential / Alternative uses	B1(c)/ B2, Residential	

B. Physical Signals		Score
Prominence	Visible from the major road network (5)	5
	Visible site on a main road or prominent estate (4)	
	On a main road or prominent estate, but concealed away from view (3)	
	Visible from a minor road or estate (2)	
	Accessible from a residential road with no visible entrance(1)	
Building Age	Post 2010 (5)	5
	2000- 2010 (4)	
	1990- 2000 (3)	
	1970-1990 (2)	
	Pre 1970 (1)	
Condition of premises / ground condition	Good (4)	4
	Average (3)	
	Poor (2)	
	Derelict (1)	
External Environment	Excellent quality environment (5)	5
	High quality environment (4)	
	Average quality environment (3)	
	Below average quality environment (2)	
	Poor quality environment (1)	
Physical Total		**19**

B. Sustainability Signals		Score
Strategic Access	Within 1 km of a strategic road junction (5)	
	Within 2 km of a strategic road junction (4)	
	Within 3 km of a strategic road junction (3)	
	Over 3 km from junction or access and / or through constrained / local roads / or through city/town centre or residential areas (2)	
	Over 5 km from junction or access and / or through constrained / local roads / or through city/town centre or residential areas (1)	1
Local Access	Easy access to strategic road network with no congestion hotspots on route (4)	
	Site only has one congestion hotspot on route to the strategic road network (3)	3
	Site has multiple congestion hotspots on route to strategic road network (2)	
	The site is either: directly adjacent to a congestion hotspot and has multiple hotspots on route to strategic road network or; its main access route(s) are unsuitable for the type of traffic it takes and has multiple congestion hotspots on route to strategic road network (1)	
Public Transport	Within a 10 min walk of main bus route, train station or cycle lanes (3)	3
	Greater than a 10 min walk of main bus route, train station or cycle lanes (2)	
	No services within close proximity (1)	
Proximity to urban areas and access to labour and services	Adjacent to a City, Town, District or Local centre; good pedestrian access residential areas and regular public transport (5)	5
	Near to a City, Town, District or Local centre; good pedestrian access residential areas and regular public transport (4)	
	Easy site access to a City, Town, District or Local centre; and with reasonable access to local services and regular public transport (3)	
	City, Town, District or Local centre is not easily accessible with limited access to local services and regular public transport (2)	
	Remote site, no services or residential areas in the vicinity (1)	
Sustainability Total		**12**

GRAND TOTAL		48

Description

This 18.1ha greenfield site with 12.15ha available for development is situated within the Green Belt and lies to the east and south of Keele Science Park Phase 3. Infrastructure to enable the development of this plot would need to be extended from the Phase 3 plot.

Strengths
- Location immediately adjacent to University of Keele;
- University has sectoral strengths in several regional and national strategic sectors;
- Plentiful land for development;
- The model of seamless integration of academia, innovation and commerce is leading-edge best practice for maximising the benefits of spin-off/ spin-in development;
- High quality environment ideal for R&D/ Science Park uses;
- Highly skilled workforce;
- Mixed-use leisure and retail assist in placemaking.
- On site power generation; and
- Medical and Energy are two leading research disciplines.

Weaknesses
- Site KL13 has had an allocation for a considerable period of time and the pace of development has been slow;
- There are charity buildings, teaching buildings and a hotel as part of this mix;
- Location is close to the M6, but access to the nearest junction is slow;
- The nearest mainline railway station is Stoke-on-Trent;
- There is one bus route from the centre of Newcastle-under-Lyme, this terminates at Keele Village and then returns;
- The site has limited access to a range of services and facilities.
- The University does not want a commercial development partner and prefers more organic growth;
- Two Biodiversity Alert Sites (Barker's Wood and Rosmary Hill Wood) partially adjoin the eastern boundary;
- Site of Biological Importance (Springpool Wood) partially adjoins the western boundary; and
- Keele Hall Registered Park and Garden also adjoins the western boundary.

Mitigation
- The plan is for a genuinely integrated science and Innovation Park. The University has grown to 12,000 students and plans further sustained growth to 15,000 by 2025 and 20,000 during the period 2030-2040.
- There is a ten-year, £200 million capital investment plan to help realise this ambition. The extra land is a key part of that growth ambition. They will probably fund through Prudential Borrowing;
- They have a full consultancy and design team in place. A masterplan has been prepared, an Economic Impact Assessment has been commissioned to demonstrate Net Value Added and a development appraisal shows viability;
- A transport strategy with a bus interchange has been prepared;
- There is on-site energy generation;

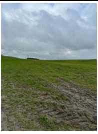
Overall Site Grade

Good

DRAFT - Strategic Site/Premises Assessment Proforma

General Information:

Site Reference No	TK30	Planning Status	Green Belt
Site/Premises Name	Land off Talke Roundabout/ A500	Status (Existing / Current Use)	Vacant land
Market Area	A500 Sites	Size of Site (ha) 66.37	
		Estimated NDA (ha) 51.98	

Site Plan	Site Photograph
	

A. Market Signals		Score
Development Opportunities	Space for expansion / new buildings without having to re-develop / demolish existing buildings (5)	5
	Capacity to significantly expand / extend / intensify existing buildings on site as they are still appropriate / suitable for the site (4)	
	Area(s)/Site(s) with existing building(s) that have the potential to be redeveloped (3)	
	Limited space for minor extension(s) to existing buildings (2)	
	No space to expand / opportunity sites within / adjacent to the site (1)	
Nature of current and potential market appeal to occupiers	High Level of National and International Companies (3)	3
	Limited presence of National and International Companies (2)	
	No national or international companies, exclusively Staffordshire based (1)	
Existing evidence of and/or potential for clustering effect	A large cluster of high tech / value businesses providing for specific niche or sector in the market (4)	
	A large cluster of low tech / value businesses (3)	3
	A small cluster of related businesses (2)	
	The site is a single building with no clustering effect (1)	
Current vacancy levels / perceived market demand	90 - 100% occupancy (5)	
	80 - 90% occupancy (4)	4
	60 - 80% occupancy (3)	
	40 - 60% occupancy (2)	
	Less than 40% occupancy (1)	
Market Total		**15**
Potential / Alternative uses	B8	

B. Physical Signals		Score
Prominence	Visible from the major road network (5)	
	Visible site on a main road or prominent estate (4)	4
	On a main road or prominent estate, but concealed away from view (3)	
	Visible from a minor road or estate (2)	
	Accessible from a residential road with no visible entrance(1)	
Building Age	Post 2010 (5)	
	2000- 2010 (4)	
	1990- 2000 (3)	
	1970-1990 (2)	
	Pre 1970 (1)	1
Condition of premises / ground condition	Good (4)	
	Average (3)	
	Poor (2)	2
	Derelict (1)	
External Environment	Excellent quality environment (5)	
	High quality environment (4)	4
	Average quality environment (3)	
	Below average quality environment (2)	
	Poor quality environment (1)	
Physical Total		**11**

B. Sustainability Signals		Score
Strategic Access	Within 1 km of a strategic road junction (5)	5
	Within 2 km of a strategic road junction (4)	
	Within 3 km of a strategic road junction (3)	
	Over 3 km from junction or access and / or through constrained / local roads / or through city/town centre or residential areas (2)	
	Over 5 km from junction or access and / or through constrained / local roads / or through city/town centre or residential areas (1)	
Local Access	Easy access to strategic road network with no congestion hotspots on route (4)	
	Site only has one congestion hotspot on route to the strategic road network (3)	3
	Site has multiple congestion hotspots on route to strategic road network (2)	
	The site is either: directly adjacent to a congestion hotspot and has multiple hotspots on route to strategic road network or; its main access route(s) are unsuitable for the type of traffic it takes and has multiple congestion hotspots on route to strategic road network (1)	
Public Transport	Within a 10 min walk of main bus route, train station or cycle lanes (3)	3
	Greater than a 10 min walk of main bus route, train station or cycle lanes (2)	
	No services within close proximity (1)	
Proximity to urban areas and access to labour and services	Adjacent to a City, Town, District or Local centre; good pedestrian access residential areas and regular public transport (5)	
	Near to a City, Town, District or Local centre; good pedestrian access residential areas and regular public transport (4)	
	Easy site access to a City, Town, District or Local centre; and with reasonable access to local services and regular public transport (3)	
	City, Town, District or Local centre is not easily accessible with limited access to local services and regular public transport (2)	2
	Remote site, no services or residential areas in the vicinity (1)	
Sustainability Total		**13**

GRAND TOTAL		39

Description

This is a highly visible site to the south of the A500, close to Talke Road as it extends towards the village of Red Street and relatively near to the A34/A500 interchange. The site extends to approximately 46.64ha, slopes and comprises of farmland. The site is also situated within the Green Belt.

Strengths •

Location is very close to the Strategic Road network with access to the A500 from Talke Roundabout;

- Three miles to Junction 16 of the M6;
- Strong market demand for this broad location and possible close enough to be considered M6 Corridor;
- It is in close proximity to the new development at Chatterley Valley West with probable synergy between the two (Harworth Group is behind both);
- Chatterley Valley is experiencing very strong demand from local business and possible inward investors, this is viewed as Phase 2;
- Existing bus routes pass close by;
- The site is close to the northern west edge of the Newcastle conurbation, which makes it accessible to the local population; and
- Existing professional team would be retained.

Weaknesses •

The site is not easily accessible from A500;

- Currently a Green Belt site falling within Talke & Butt Lane ward with some overlap into Crackley & Red Street ward;
- The setting of the Grade II Listed Wedgewood Monument needs to be respected;
- The site poses challenges in respect of land assembly, topography, highway access and public transport connectivity
- Access is proposed off Talke Road and Dean's Lane. Talke Road has no public footpaths on the site side, and no street lighting. Dean's Lane has no footpaths or street lighting.
- The site has poor access to a range of services and facilities.
- The former Wedgewood Colliery was located here, leaving a legacy of a development high risk area,
- Public Right of Way and Tree Preservation Orders place further restrictions on the site.

Mitigation •

The promoter is investing in technical studies to support the original masterplanning work;

- The site is promoted for housing, employment, open space and renewable energy;
- Power due diligence is underway, but no real concerns due to existing knowledge from the site at Chatterley Valley West;
- Local knowledge and history of the company means that they do not see the High Risk area for development as a barrier.

Overall Site Grade

Good

London | Leeds | Liverpool
Newcastle | Birmingham

Property | Infrastructure | Planning
Development | Regeneration

www.aspinallverdi.co.uk

Aspinall Verdi
property
regeneration
consultants