

## 5 MARKET APPRAISAL

### 5.1 Local and Regional Land Availability

- 5.1.1 **This site** meets two requirements, firstly as a Strategic Employment Site and secondly to meet more local demand for particularly B2 and B8 uses.
- 5.1.2 It is considered appropriate to recognize the importance of the Ipswich Policy Area as a driving force to provide an overflow area for investment from Ipswich. In this respect, areas outside of the Ipswich Policy Area are unlikely to provide significant interest to commercial operators desiring the benefits of Ipswich’s client base, transport accessibility (A14 and A12) and established connectivity to supply chains. .

#### Strategic Employment Site

- 5.1.3 This is defined by EEDA as being “Employment Sites capable of accommodating a user requiring a plot of 10 hectares or more or Special Users Sites, e.g. Port, Airport related”. The report prepared by Chesterton plc in August 2002 for EEDA identifies fourteen Strategic Employment Sites in Suffolk (See Figure 5-1) but only four of these, Ransomes Europark, Trinity 3000, Adastral Park/Suffolk Innovation Park and **The Site** are in the key Ipswich-Felixstowe corridor. Those in Lowestoft are addressing a different market and the remainder, other than Suffolk Business Park, do not have access to the road network and will therefore severely limit their suitability for most potential users.

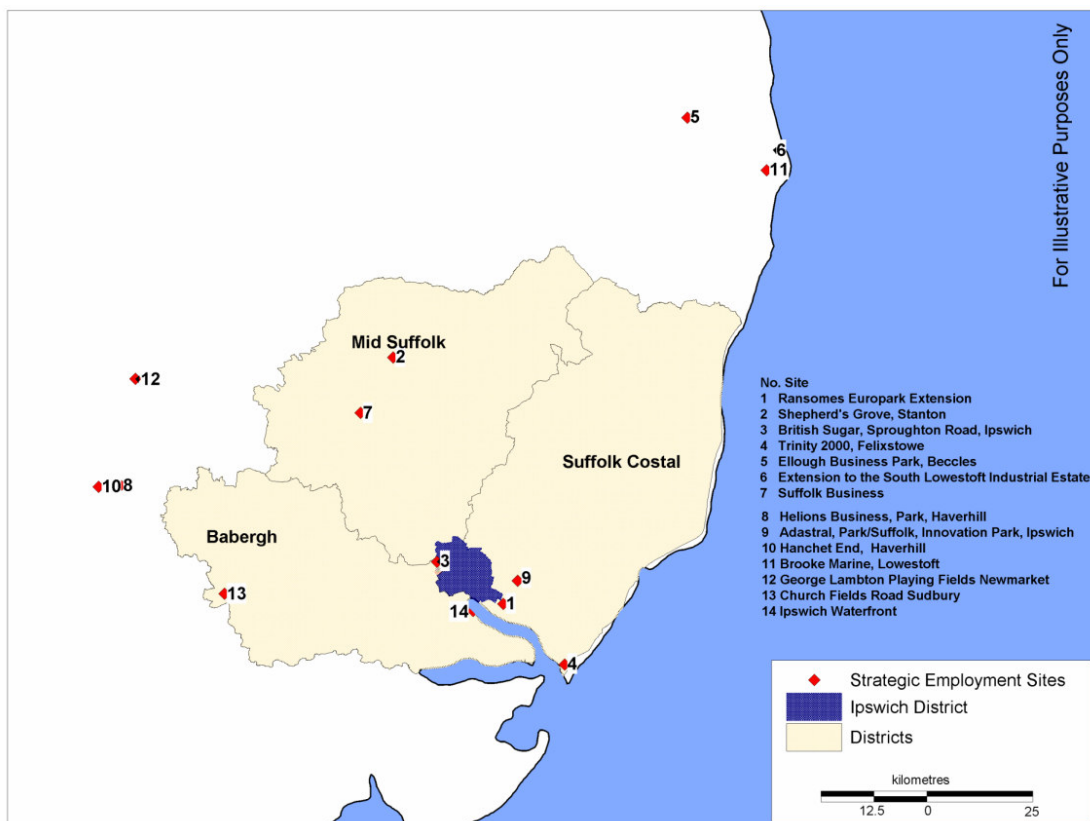


Figure 5-1 Location of EEDA fourteen Strategic Employment Sites

- 5.1.4 Aadastral Park and Martlesham Heath Business Park are primarily focused on hi-tech B1 uses and unsuitable for large scale B2/B8 uses. Martlesham Heath Business Park has only limited sites available for development.
- 5.1.5 Trinity 2000 is now a joint venture, known as Portside, between Trinity College and Gazeley for up to 530,000 sq ft of port related warehousing. There is no land available for sale to third parties which is a key detractor to local port operators.
- 5.1.6 Ransomes Europark is an appropriate comparator comprising some 80 hectares of mixed B1, B2 and B8 development. The final phase of 20 hectares was launched in 2004 and has already been substantially developed. There is now no site available on the Europark which would meet EEDA's definition of a Strategic Employment Site so that the only site in the Ipswich area which would do so is **The Site**.
- 5.1.7 It is also noted, that Government's Proposed changes to the RSS clearly indicates that provision in the "Haven Gateway, to support growth and regeneration at Colchester and Ipswich, including the latter's role in ICT, and development associated with port expansion at Harwich and Felixstowe" is required to meet Regionally Strategic Employment provision. In this regard, the emphasis is upon safeguarding and retention to ensure appropriate employment generating purposes. Accordingly **The Site's** context as an intermodal site, proximity to the port and its geographic location meet the spatial requirements for a regionally strategic employment location together with the more focused quantum of acreage as per the EEDA's definition.
- 5.1.8 The DTZ Pidea Consulting Employment Land Study Report for the Haven Gateway Partnership dated December 2005 highlights the potential substantial surplus of employment land across the Haven Gateway area, which includes Babergh. The report indicates the change from industrial use to office and distribution and the need to ensure that the highest quality sites in each district are retained and safeguarded for employment use.
- 5.1.9 The same report dismisses **The Site** as a Strategic Site as being inappropriate for B1 uses in support of the role of Ipswich in ICT, proposing Martlesham Heath as being more appropriate. We agree that Martlesham Heath is more appropriate for supporting B1 and ICT related uses but **The Site** is the only site capable of supporting B8 distribution uses.

## 5.2 DTZ Piedad Consulting – Employment Land Study Report

- 5.2.1 DTZ Piedad Consulting carried out an Employment Land Study Report for the Haven Gateway Partnership dated December 2005. This highlights the potential substantial surplus of employment land across the Haven Gateway area, including Babergh in which 101.98 is stated as being available. They consider twelve sites in Babergh in more detail but most of these are small and **The Site** is the only one over 10 ha potentially available and with direct access to the strategic road network.
- 5.2.2 In Ipswich they state that 74.41 ha is available and considered 27 sites of which only Ransomes is over 10ha.
- 5.2.3 The report highlights the change from industrial use to office and distribution and in the light of this apparent surplus of employment land makes the point that in considering the release of some employment land for alternative use an important policy consideration will be for districts to ensure that the highest quality sites in their portfolios are retained and safeguarded for employment use. We support this.
- 5.2.4 The report dismisses **The Site** as a Strategic Site as being inappropriate for B1 uses in support of the role of Ipswich in ICT, proposing Martlesham Heath as being more appropriate. We agree that Martlesham Heath is more appropriate for supporting B1 and ICT related uses but **The Site** is nevertheless important to the district and is the only site capable of supporting B8 distribution and development associated with port expansion as indicated in the RSS.

## 5.3 Take up rates

- 5.3.1 In the conclusions of the Gerald Eve report dated December 2006 they state ‘that the Broadmeadows site...is *“inherently unsuitable or not viable for all forms of employment related use”*. Based upon the findings of the viability exercise Gerald Eve consider that there is no “realistic prospect of the allocation being taken up for it’s stated use in the plan period” in accordance with the test set out in PPG3 paragraph 42(a).’
- 5.3.2 This is supported, they state, by the research carried out by DTZ, as part of the Regional Spatial Strategy, which identified a requirement for only 8.4 ha (20.74 acres) during the whole of the Local Plan period from 2001-2021. This was, they say, increased to 16.8ha (41.49 acres) to allow for a margin for error. This analysis is based on projected jobs growth as proposed in the RSS in the largely rural district of Babergh where there is already a potential surplus of employment land. No equivalent analysis is carried out in the context of Ipswich area where the growth figures are very much larger. DTZ also state in their report (paragraph 5.10) *“Conversely, in Ipswich, it is long term availability which is more of a consideration given that many of the best quality sites (e.g. Ransomes Europark) are expected to be taken up over the next three to five year period”*

### Ransomes Europark

- 5.3.3 The take-up of space in the Europark has been significant since the final phase was launched in 2004 when 20 ha (49 acres) were reported as being available. We

understand that only 7.7 (19 acres) remain available, spread over a number of smaller sites with the largest being 2.2 ha (5.47 acres) which has been allocated by the developers as a future trade park.

- 5.3.4 Taken together approximately 12.1 ha (30 acres) have been developed as part of the final phase of the Europark, implying a take up rate on this park alone of about 3.5ha (10 acres) per annum.
- 5.3.5 The DTZ report refers to 15.5 ha (38 acres) being available on Churchfield Road in Sudbury but most of this was sold some time ago, a large part to the West Suffolk Hospital NHS Trust, is no longer available and importantly lies well outside of the IPA study area.
- 5.3.6 In conclusion we find the Gerald Eve report unhelpful. It uses employment statistics for the predominantly rural Babergh District as justification for take up rates on a substantial employment site with direct access onto the strategic road network and does not reflect the position were **The Site** to be available today.

#### 5.4 “B” Use Class Requirements

- 5.4.1 Most of the demand identified by Gerald Eve and DTZ in their analysis for Ipswich and the Haven Gateway is based on the RSS job forecasts and identifies the demand as being for B1 space. The take up of the prime site in the Ipswich area, Ransomes Europark, would appear to substantiate this contention but the Europark would not be considered appropriate for B8 distribution, open storage or some sui generis uses. In addition none of the existing sites in the Ipswich area is capable of fulfilling the need for a major site in excess of 10ha.
- 5.4.2 The characteristics of **The Site** in terms of location and transport infrastructure make it particularly appropriate for B8 uses. Our enquires have identified a number of businesses for which **The Site** is appropriate and in particular one company with an immediate requirement for a 8 ha (20 acre) site in this location for a port related use. In addition, discussions with Hutchison Port Holdings indicate that were land available they have three or four users who would be keen to secure sites of about 4 ha (10 acres) for storage/distribution purposes. **The Site** is therefore capable of fulfilling requirements for port related activity as demand for land in the port itself is restricted to direct port activities.
- 5.4.3 We are aware of other requirements in the Ipswich area some of which might be appropriate for this site. There is an enquiry for a 60,000 m<sup>2</sup> (200,000 sq ft) shed for paper recycling, a requirement 180,000 m<sup>2</sup> (600,000 sq ft), though not necessarily in one building and various other enquiries. Suffolk Development Agency has a dozen or so enquiries registered from 1-2 ha (2-3 acres) to larger distribution requirements, including the proposals for a Joint Waste Management Strategy between the Councils for which **The Site** could be appropriate.
- 5.4.4 Bidwell's in their most recent 'Data Book' report dated December 2006 record a total occupier requirement of 275 m<sup>2</sup> (900,000 sq ft) of which some 50% is for units in excess of 15,000 m<sup>2</sup> (50,000 sq ft). We have ourselves registered enquiries for in excess of 150,000 m<sup>2</sup> (500,000 sq ft) in the A14 corridor east of Cambridge over the last

three months. If these requirements can be attracted to Ipswich this site would be one of the few locations available for them to consider.

## B8

- 5.4.5 The characteristics, location and transport infrastructure of this site lends itself well to B8 use. The pressure for space at Felixstowe Port is significant with little or no land available for expansion and open storage. The impending Felixstowe South reconfiguration and Bathside Bay development at Harwich will significantly increase port related activity and movement of containers in the area. Off site logistics support will increasingly be required in the immediate vicinity as port land is turned over to direct port activities. The response to our enquiries regarding this site reinforces this need and the suitability of **The Site** for such uses. Very few, if any, alternatives exist in the Ipswich area.
- 5.4.6 The Department of Transport's Ports Policy Review May 2006 estimates that the planned new container port capacity at London Gateway, Felixstowe South and Bathside Bay will more than double the annual capacity of container ports in the southeast of England. This is considered to be sufficient to accommodate the forecast growth in direct call demand to 2020. This will have a significant impact on demand for land for port related activity and **The Site** should be capable of helping meet that demand over this period.
- 5.4.7 The Mediterranean Shipping Company (UK) Ltd has expressed interest in **the Site** and a copy of their letter to Mr. Neil Henry (Babergh District Council) is attached as Appendix 9.
- 5.4.8 Figure 5-1 overleaf identifies the potential phasing of such a 8 ha (20 acre) lot, within the broader phased land disposal Option 1 that is identified in Section 6 overleaf.

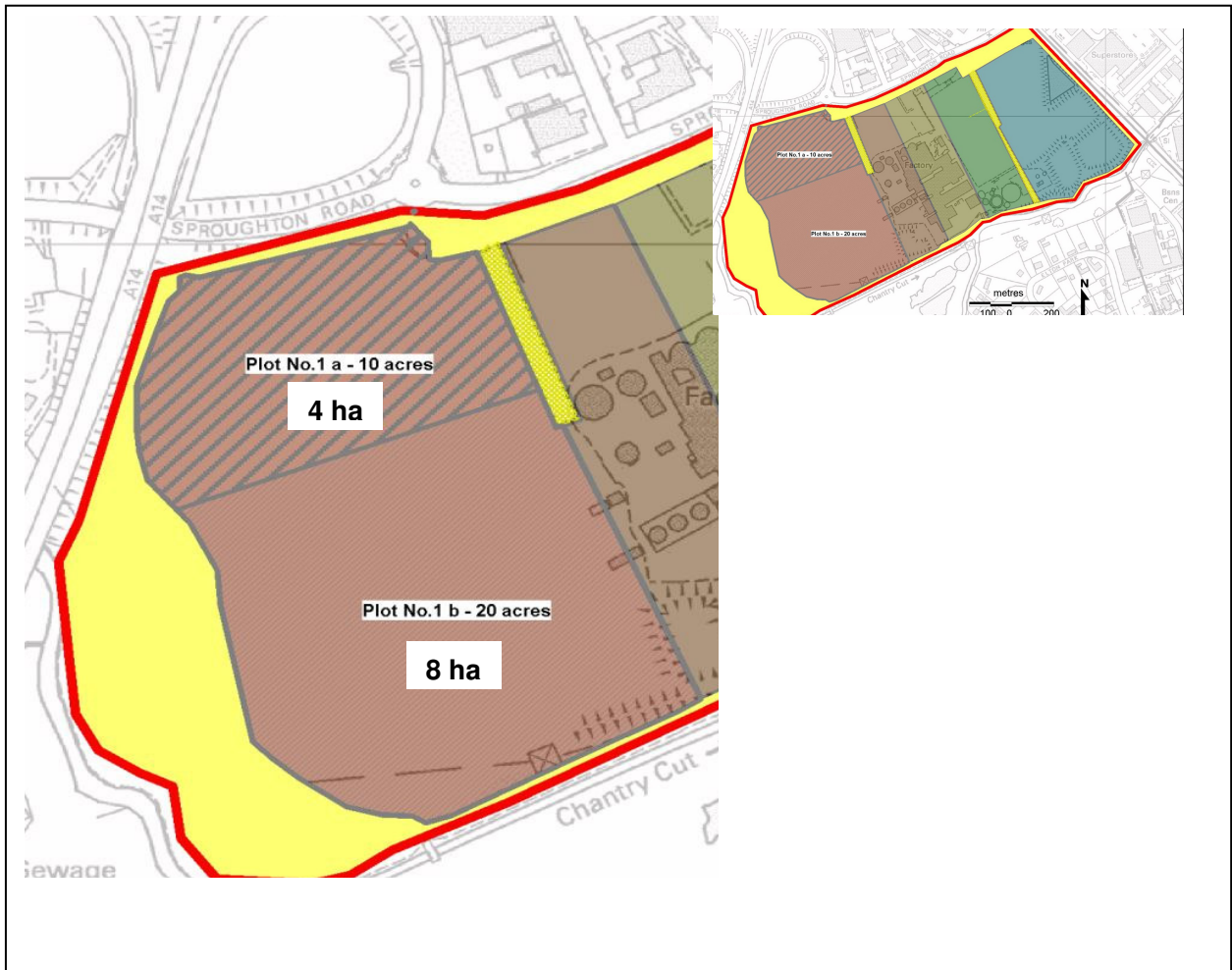


Figure 5-2 Example phasing for existing employment demand

## B1 and B2 Use Classes

- 5.4.9 The recent take up of space for B1 & B2 space in Ipswich has been encouraging, as demonstrated by the take up rate for the Ransomes Europark, and these existing sites are now generally interested in the higher values generated by these uses. Ransomes could not now accommodate a current enquiry for some 8 ha (20 acres), and were that enquiry to consist of B8 distribution/storage uses, as opposed to B1/B2, this would likely be considered as an inappropriate neighbour for the park.
- 5.4.10 The Mediterranean Shipping Company in their letter, of 4 May 2007, identify a site at Black Acre Hill, Gt Blackenham. This site is currently under consideration as part of the Snoasis appeal and may become available. The site was shown as being 5.5 ha (13.6 acres) in the Mid Suffolk Local Plan. It could meet the needs of the Mediterranean Shipping Company but cannot then fulfill the needs of any other business seeking a site to meet similar requirements in terms of location and access. **The Site** would be the sole identified site in the Ipswich policy area able to accommodate firms with similar requirements.
- 5.4.11 The pressure for space at Felixstowe is significant with little or no land available for expansion and open storage. Some of this requirement may be pushed out of the immediate area and result in dock related uses seeking space elsewhere. Hutchison Port Holdings have stated that were land available they have three or four users who would be keen to secure sites of 4-6 ha (10/15 acres) for storage purposes.
- 5.4.12 In conclusion we do not see that the papers forming part of the application provide justification of the need for an alternative use of **The Site** and conclude that were the site available a number of parties would be interested.

## 5.5 Land value

- 5.5.1 In their report Gerald Eve assume a land value of £741,000 per ha (£300,000 per acre).
- 5.5.2 Recent sales at the Europark have reflected land values in excess of this level. Land on the Europark has been sold for B1/B2 uses and, being on an established business park, we would have expected them to achieve higher values. £1,000,000 per ha (£400,000 per acre) is now considered to be the value of good commercial land in the area.
- 5.5.3 We have nevertheless used the Gerald Eve figures for our consideration of the financial appraisal for the initial sales although the prospects for growth once development commences would be good.