

**Mr G Taylor**  
English Land Limited  
Frogs Leap  
Fulshaw Park  
Wilmslow

Private & confidential

20 May 2021

Dear Mr Taylor,

**Land at Sandwash Close, Rainford St Helens, WA11 8LS.**

## Introduction

Many thanks for giving us the opportunity to provide our thoughts and recommendations for the land holding at Sandwash Close, Rainford, St Helens in support of planning discussions with St Helens Borough Council. This report considers the current St Helens and North West industrial markets and the ongoing merits of the site as an industrial and logistics location in both a local and regional context whilst considering the ongoing need for industrial supply due to sustained high levels of end user demand.

## Executive Summary

- The North West Industrial market, principally through the growth of the manufacturing and e-commerce sectors, has seen unprecedented take-up of premises over recent years which has consequentially impacted on the availability of well-located and deliverable/unconstrained employment land.
- End user occupiers act as a catalyst for regeneration and generating sizeable economic gains along with long-term employment. In order to allow businesses to grow and expand it is crucial to maintain a suitable supply of premises in a range of sizes and grades.
- 2020 was a record year for industrial property take up with demand coming from 3PLs, SMEs, e-commerce retailers, manufacturers, food processors, pharmaceutical providers and parcel distributors.

## St Helens Industrial Market Overview

St Helens is recognised as one of the key industrial/ logistics locations in the North West of England given its road connectivity and labour supply. The St Helens borough contains approximately 14.5m sq. ft. of industrial space with a current vacancy rate of 1.9% across all grades of industrial property (logistics, manufacturing, and light industrial units). This severely low vacancy rate has been compounded by the lack of new build development and sustained occupier take up.

From 2020 and into 2021 we have witnessed unprecedented take up in St Helens with notable take up including the following.

- Law Distribution (130,000 sq ft design and build at ARC 130, Haydock Industrial Estate)
- Kelloggs (525,000 sq ft at M6 Major, Florid Farm, Haydock)
- Fastenal (18,500 sq ft at Mere Grange, St Helens)
- Dawson Music (22,000 sq ft at Hallwood Avenue, Haydock)
- Summit Platforms (10,000 sq ft North West HQ at Hallwood Avenue, Haydock)
- Wincanton (75,000 sq ft at Boston Park, Haydock)
- Adelie Foods (25,000 sq ft at Boston Park, Haydock)
- Pyroguard ( 60,000 sq ft at Haydock Industrial Estate)
- Specialist Welding Products ( 20,000 sq ft at Unit 1 Withins Road)
- Water Logic (12,000 sq ft at Withins Road)

The chronic imbalance between supply and demand has been heightened by the sustained take up along with their being no new build supply in excess of 5,000 sq ft currently available within St Helens.

## North West Market Conditions -Take up - Big Box

Occupier take up for Grade A new build space over 90,000 sq ft in size reached 4.3million sq ft in 2020 across 20 transactions. Supply has reduced to 1.25m sq ft across 8 buildings with an average size of 150,000 sq ft. This is an unprecedented low level of supply especially when average annual take up in the North West is approximately 3.5 m sq. ft.

### Key highlights are;

- 1.25m sq. ft. of remaining New Build Grade A supply across 8 buildings.
- Big box second-hand space performed well, with 1.2million sq ft of take-up in 2020.
- Pipeline of supply (which has now commenced construction) is limited to 1.23m sq ft.
- Constrained supply of fully consented available development sites.
- Upwards on 3 million square feet of current unsatisfied North West occupier requirements.

## North West Supply- Big Box

Current Up and Built North West New Build Grade A Supply;

| Scheme            | Developer    | Location   | Rent (£) | Size (sq ft) |
|-------------------|--------------|------------|----------|--------------|
| Liberty Park      | Stoford      | Widnes     | 6.25     | 107,210      |
| Mountpark 2 Omega | Mountpark    | Warrington | 6.95     | 203,180      |
| F2/G Multiply     | Harworth/KFI | Bolton     | 6.75     | 149,000      |
| Venus210          | New Capital  | Knowsley   | 5.75     | 210,000      |

|                          |                   |                |      |         |
|--------------------------|-------------------|----------------|------|---------|
| Kingsway216              | Aberdeen Standard | Rochdale       | 5.75 | 216,410 |
| PLP Ellesmere Port       | PLP               | Ellesmere Port | 6.50 | 138,000 |
| PLP Ellesmere Port       | PLP               | Ellesmere Port | 6.50 | 90,000  |
| Academy Bus Pk, Knowsley | Orbit             | Knowsley       | 5.75 | 110,000 |

- \*Those highlighted in Yellow are currently under offer.

### Committed pipeline which has now started on site

| Scheme                    | Developer   | Location      | Rent  | Size (sq ft) | PC Date |
|---------------------------|-------------|---------------|-------|--------------|---------|
| Panattoni Park Crewe      | Panattoni   | Crewe         | £6.75 | 305,000      | Q4 21   |
| Panattoni Park Bolton     | Panattoni   | Bolton        | £7.25 | 280,000      | Q2 21   |
| Metro 190                 | IPIF        | Trafford Park | £7.25 | 190,000      | Q4 21   |
| Tungsten Park, Warrington | Tungsten/BA | Warrington    | £7.00 | 233,000      | Q4 21   |
| Mountpark 2 Omega         | Mountpark   | Warrington    | £7.00 | 225,000      | Q2 21   |

### Wider Market Demand and Supply

Throughout both Covid 19 lockdown periods the North West witnessed an upsurge in take up from existing unsatisfied requirements which had stalled through the Brexit/general election period of uncertainty to new end user requirements generated by the increased pressure on existing supply chains. Despite the impact of a second lockdown, we are witnessing sustained enquiry, viewing and transaction levels. We expect this demand to continue from a wide range of sectors such as 3PLs, SMEs, e-commerce retailers, manufacturers, food processors, pharmaceutical providers and parcel distributors who utilise industrial/warehouse property to operate their business from. Also, as consumers continue to adapt their shopping habits and companies continue to restructure their supply chains to meet and satisfy the demand for goods this will also result in continued demand for new build modern efficient premises across all size ranges.

It is important to note that there is no significant pipeline supply of new industrial stock within St Helens. Therefore, highlighting the need for development sites to accommodate existing unsatisfied and future demand for new build accommodation.

The development pipeline is limited due to a lack of fully consented development land. Should large sites such as Parkside, St Helens and Haydock Point be successful in obtaining green belt release this will do little to satisfy ongoing demand for small to medium size industrial units as those sites are earmarked for large, big box distribution development. With upwards of 3 million sq ft of unsatisfied end user requirements for big box logistics space in the North West means those sites will be quickly developed out.

## The Site – Sandwash Close

The site extends to a net developable area of approximately 19.65 acres (7.96 hectares).

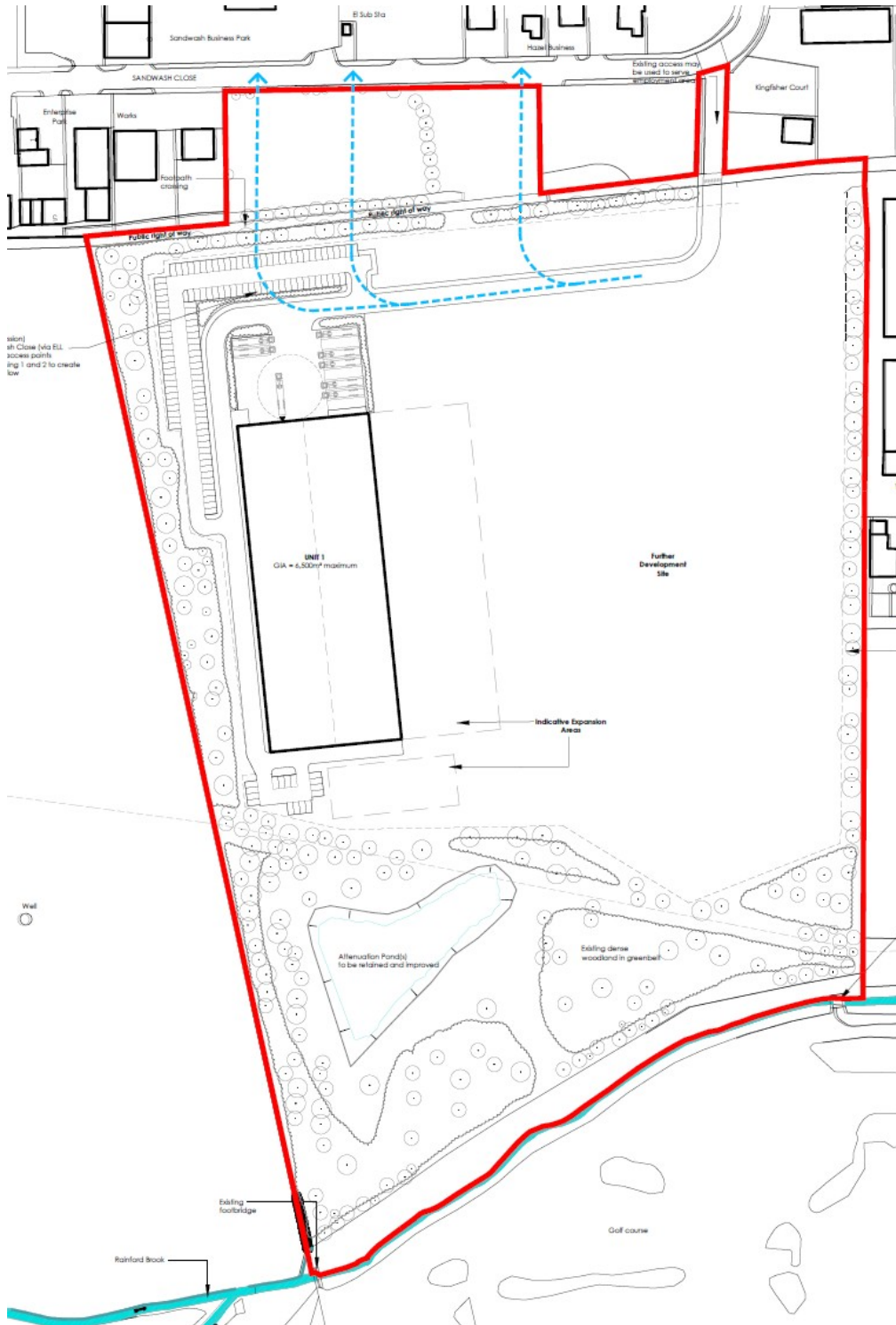
- Large site area capable of industrial development in a range of unit sizes (e.g. by reference to the Feasibility Plan (Option 2) below, it is well suited from 18,200 sq ft, 23,890 sq ft, 28,490 sq ft, 72,440 sq ft up to 100,000 sq ft. This will help meet latent demand from all sectors.
- Located on Rainford Industrial Estate a long established industrial and logistics business location.
- Adjacent to A570 Rainford By-Pass which connects to junction 3 of the M58 motorway to the North and the A580 to the South at Windle Island enabling it to benefit from existing road infrastructure.
- Rainford industrial estate is well let to smaller and medium format operators. The subject site will not undermine the re-letting of the existing neighbouring space within Rainford Industrial Estate of which there are limited available units in any case and will enhance overall supply/choice/quality of floorspace to benefit expansion and attract inward investment to benefit overall profile of the estate.
- This size and scale of the site makes it not only important on a local level but also within context of the wider North West market.

## Access and Layout Opportunities

The extant planning permission was granted in 1992 for the erection of an industrial building (6500m<sup>2</sup> / 70,000ft<sup>2</sup>) as phase 1, plus additional phasing for industrial development across the site. This consent could be utilised to undertake a small to medium multi-unit scheme to meet and capitalise on the current market demand that exists in St Helens. The access from Sandwash Close is more than adequate to service units of this size. With the added ability that you can sell completed buildings with vacant possession this will appeal to those existing St Helens based occupiers who currently own their existing buildings and have requirements to expand their current operations. These companies are restricted due to a severe lack of freehold opportunities and an inability to move outside the borough due to the risk of losing staff with increased travel to their new place of work.

The Feasibility Plan (Option 1) overleaf is consistent with the extant permission. The existing access road and flexible layout will be very attractive to meet market demand and operator requirements.

## Feasibility Plan – Option 1 (in accordance with extant planning permission)





In addition, there are other variables for access and layout which will be very attractive to the market. This may include utilising the existing access road, provide an alternative access on Sandwash Close, or provide a combined in/out access link. This may also include a wide array of small/medium/large format units. As an example, the Feasibility Plans (Option 2&3) below reflects this.

**Feasibility Plan – Option 2 (in accordance with extant planning permission, Site 9EA, and wide range of market demand across all sectors)**



## Feasibility Plan – Option 3 Incorporating an increased amount of smaller sized units (in accordance with extant planning permission Site 9EA)



## Target Market/Delivery – Occupational Demand

The subject site can respond to the needs of end users looking for new build units from 18,000 sq ft up to 100,000 sq. ft.

Easily accessible to wider motorway network with links to the A570, A580, and the M58/M6/M62 motorways providing easy access to the regional motorway network as well as the key ports in England. We consider the following to largely encompass the target audience:

- Local SME's seeking to expand and grow within St Helens
- Regional based manufacturers and supply chain companies
- National and regional logistics / distribution companies (3PL'S)
- National and regional parcel delivery companies
- Major occupiers already located within the region

## Delivery

The delivery to the marketplace of fully consented serviced sites within St Helens has delivered spectacular results and enhanced take up in the area. Examples include:

- Florida Farm/M6 Major, Haydock
- Boston Park, Haydock
- Empress Park, Haydock
- Easter Park, Haydock
- Withins Point, Haydock
- Haydock Point, Haydock
- Mere Grange, St Helens
- Raspberry Court, Haydock

## Current suitable active requirements

| Agent / Applicant | Size (sq ft)    | Comments  |
|-------------------|-----------------|---|
| SpectrumX         | 20,000          | Hygiene product supplier seeking a unit for a new production facility.                          |
| Optimold          | 20,000 – 30,000 | Injection mouldings company based in Golborne. Seeking to combine several units under one roof. |
| Spring GDS        | 10,000 – 20,000 | Parcel delivery company seeking a new North West depot.   |
| Climavent         | 10,000 – 20,000 | Manufacturer of dust and fume extraction systems. Relocation from Bryn, Wigan.                  |



| Agent / Applicant   | Size (sq ft)      | Comments  |
|---------------------|-------------------|---|
| Master Removals Ltd | 90,000            | Relocation/expansion from Eagle Park, Warrington For a new Northern Distribution hub.                                   |
| Encon Insulation    | 100,000 – 150,000 | Relocation/expansion from Buckshaw Village Chorley. Need to be operational by Q2 2022.                                  |
| Alexander Dennis    | 100,000           | Expansion from Priorwood Place, Skelmersdale. Due to lack of suitable options AD have now extended their current lease. |

The above list of requirements provides a snapshot of the companies who have active requirements for industrial space in St Helens. All of the above companies are increasingly putting a reliance on cost effective labour supply, affordable land and shorter journey to work areas, which Sandwash Close can offer.

The knock-on effects for the St Helens borough in terms of employment is significant with the job numbers generated by the schemes above. As we have seen from the success of the above-mentioned schemes it is crucial that the next industrial site is delivered to the end users market in St Helens to continue to meet the demand.

## Conclusion

Sandwash Close is the optimal size to accommodate local and regional end user requirements.

The majority of occupiers (both footloose and indigenous) now want to see built out industrial product and immediately deliverable bespoke design and build options to address their operational needs.

The chronic imbalance between supply and demand in St Helens will worsen as businesses continue to seek sites for their production, distribution and warehouse facilities. We are now seeing SME's having to consider buildings outside St Helens to satisfy their expansion requirements. Historically only larger companies would be prepared to be footloose and consider other locations but smaller companies are being forced to consider Wigan, Knowsley and Warrington to find suitable alternative available space.

Looking forward, following such a strong period of take-up witnessed in 2020 and into early 2021 and given the difficulties moving goods and products as a result of Brexit and the soaring consumer demand we believe that these factors will continue to drive demand for space this year and into the foreseeable future.

St Helens is one of the best-connected locations in the North West with links to the M6, M62 and M58 motorways. With a large labour pool with a particular focus on warehousing and manufacturing. These links and an experienced cost-effective labour pool demonstrate that St Helens ranks as one of the key locations for end users to have a presence within their UK supply chain network and which has already been evidenced.

With all of the above factors combined with the site being located on the long established Rainford Industrial Estate and the existing vehicular access we are of the opinion that the subject site still has the potential to be not only a significant local site but also a significant regional site within the industrial market and should therefore be brought forward to meet both the employment land requirements of the borough and the operational needs of the industrial industry.

We trust this report is sufficiently comprehensive and look forward to discussing the contents of it with you further in due course.

Yours Sincerely,



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Salaried Partner

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