Our ref : JAGD/SLW/3603

Direct line : 01952 521005

Your ref :

Date : 8 July 2020

ANDREW DIXON & COMPANY

Chartered Surveyors
Commercial Property Consultants
Estate Agents & Surveyors

Dear

Re: Proposed Mixed Use Development at Tasley, Bridgnorth by Taylor Wimpey
Viability of Employment Land in this Location

Further to your recent instructions, we understand that you require a brief report on the viability of a 16-hectare employment site at Tasley in Bridgnorth and the likely level of demand for this land in the current marketplace.

As you are aware, Andrew Dixon & Company is an independent firm of Chartered Surveyors with offices in Telford and Cannock, which specialises in commercial and industrial property consultancy, being experienced in development, investment, letting and sales of business premises within Shropshire and the West Midlands. We are currently selling and/or letting in excess of 1 million square feet of commercial property per annum and for six consecutive years have been one of CoStar's 'Top Ten Industrial Agents' in the West Midlands (since the inception of the Agency Awards by CoStar).

The scope and breadth of work Andrew Dixon & Company undertakes in the West Midlands area can be perused on our company website www.andrew-dixon.co.uk. We also carry out property work for a number of substantial enterprises, which is not reflected on our website. This includes land acquisition and sales for private individuals, nationals and supermarkets, and we have acquired and sold residential development sites for all the major house builders, as well as a number of local developers. As such, we are intimately connected with the marketplace in Shropshire and well placed to advise on the likely demand for employment land in Bridgnorth.

We understand that Taylor Wimpey has submitted a proposal for a large housing development (1,050 houses initially) at Tasley, which includes at least 16 hectares of employment land, stated to be 'to meet Bridgnorth's future needs' and situated on the A458 adjacent to Morville Heath. Taylor Wimpey is not an industrial developer and its intentions for the employment land are not made clear. We further understand that land extending to some 13 hectares net in Shropshire's SAMDev 2015 Plan has already been allocated to relocate the Livestock Market and provide 6.7 hectares of employment land south of the A458 and opposite the Wenlock Road junction. Our understanding is that this allocation was made largely to accommodate potential businesses, which would complement the market use (eg agricultural machinery dealers), but such demand will be limited and the area allocated should comfortably meet it.

In our opinion, the land at Morville Heath is not a suitable industrial location for many reasons, but principally because transport links to that location are limited, with the main access roads being the A442 Telford to Kidderminster road – which is a secondary route – and the A454 and A458, which direct traffic from the West Midlands and Wolverhampton. The Shropshire employment market is heavily dominated by Telford with its' superior access to the motorway network. As a result, at least two thirds of the industrial/commercial rateable values in Shropshire are located within Telford as opposed to the greater Shropshire area.

Furthermore, the Bridgnorth industrial market tends to be dominated by Stanmore Industrial Estate, which is located east of the River Sever as opposed to west of Tasley. We understand there is approximately 650,000 square feet of accommodation on Stanmore, with no availability at the moment and reportedly strong demand for any unit that becomes vacant. Average rents are based on £5.00 per square foot for refurbished units. If Bridgnorth's needs are to be met by the provision of more land, market forces would suggest it needs to be in the vicinity of Stanmore. There is a further small industrial estate at Chartwell, where new units are being built and rents are somewhat higher, but this estate is attracting trade park users, having good road prominence and therefore benefitting from passing trade.

In order to justify a development of industrial units at Morville Heath you would need to achieve a rent of at least £6.50 per square foot, or a freehold price of over £100 per square foot. The industrial market in Bridgnorth currently only approaches these levels east of the River Severn, where firms have far better accessibility to Telford and the West Midlands conurbation. To the west, values are nowhere near this level and the subject land does not have the right profile to attract trade counter users as there is no passing trade.

In addition, we very much doubt that there would be a sufficient electricity supply to service an industrial development in this area and the costs of reinforcement would be unacceptable for a developer already finding rents and prices at unviable levels. Simply to achieve freehold plot sales a developer would have to install roads, drainage and services and these costs would impact too heavily on the typical land values achievable in such rural locations.

In conclusion, in our opinion there would be no real demand for an employment site in this particular location and it would not be financially viable.

We trust this is sufficient for your immediate purposes, but should you require any further assistance please do not hesitate to contact us.

Yours sincerely