BEN BURGESS & CO

PROPOSED DEVELOPMENT OF A NEW HEADQUARTERS AND ASSOCIATED INFRASTRUCTURE ON 11.51 HECTARES OF LAND TO THE WEST OF THE A140 NORWICH TO IPSWICH ROAD, NORTH OF SWAINSTHORPE

ASSESSMENT OF ALTERNATIVE SITES (PART 2)

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1. Introduction

- 1.1 Ben Burgess & Co (Ben Burgess) wishes to relocate its headquarters and associated branch currently at Europa Way, Norwich which it has completely outgrown and which no longer satisfies the objectives of the business. It has identified a site for a proposed development of a new headquarters and associated infrastructure on 11.51 hectares of land to the west of the A140 Norwich to Ipswich Road, north of Swainsthorpe. This site meets the requirement of Ben Burgess to future proof the business. However, this preferred site has no planning status.
- 1.2 South Norfolk Council has invited Ben Burgess to consider seven alternative sites. In order to make a thorough assessment of these sites, Ben Burgess has instructed Harvey & Co to assess their suitability, deliverability and viability. This report sets out the conclusions of that assessment and should be read in addition to the initial high level assessment undertaken by CODE Development Planners on all sites referred to in this report.

2. Ben Burgess & Co

- 2.1 Ben Burgess was founded in 1931. It currently has a turnover of approx. £90m and employs 230 people, including many highly trained technicians and currently 27 apprentices. Ben Burgess specialises in the supply, maintenance and hire of agricultural, construction and grounds care equipment serving clients across East Anglia and beyond. It exports principally used tractors of an approximate value of £12m per annum to 35 countries worldwide and has become one of the largest agricultural dealers in the UK.
- 2.2 The business maintains the core values of safety, quality, integrity, respect and professionalism. For these reasons, it has grown into the substantial business it is today, with six branches throughout East Anglia at Aylsham, Beeston (near Dereham), Coates (near Peterborough), Ellington (near Huntingdon), Newmarket and Norwich. These branches serve very clearly defined areas and it is essential the effectiveness of each is not compromised by overlap in the areas of operation. The company is therefore very exacting when assessing the suitability of possible locations at which to grow its business.

3. <u>The Requirement</u>

- 3.1 Ben Burgess moved to Europa Way from Norwich city centre in 1992. The site comprises approx. 1.01 ha (2.5 acres) on which buildings of approx. 45,779 sq. ft. (4,253 sq. m.) are located. Various photos of the property are attached at Appendix 1 highlighting the extent to which the site is operating well beyond optimum capacity and is therefore no longer able to meet the operational requirement of the business. Various satellite sites located nearby have been acquired to help ease the pressure on the Europa Way operation. However, it is now imperative the branch is relocated if the business is to continue to invest and expand in order that its future employment potential may be maximised.
- 3.2 In addition to being the head office of Ben Burgess, the business serves south and south east Norfolk from Europa Way, approximately as shown on the plan attached at Appendix 2. The new site therefore has to be located within this area to provide easy accessibility to the customer base. However, ready access is also required to the A47, which provides access to the main trunk road network. This is significant for two reasons, firstly to provide key connectivity to other branches, enabling all parts of the business to operate in a coordinated and efficient manner and secondly, to provide accessibility principally to the ports of Hull and Liverpool for deliveries from USA and Germany and to serve the export business. The preferred site at Swainsthorpe has been selected as it meets these location criteria.
- 3.3 Other criteria for the new site, in addition to location, also achieved at Swainsthorpe are:-
 - (i) A minimum 5-12 hectares (approx. 12.35 29.6 acres).

- (ii) The precise layout is evolving and will be informed by pre-application discussions with planning officers at South Norfolk Council but the current indicative layout is attached at Appendix 3. This shows a site at the top end of the requirement stated above, at 11.51 ha.
- (iii) For operational efficiency and competitiveness the development needs to comprise the following:-
 - Principal office and workshop building comprising a combined area of approx. 7,713 sq. m. and
 - Separate storage unit totalling approx. 898 sq. m.
- (iv) Adequate external area to allow expansion in the future.
- (v) Agriculture is becoming an increasingly sophisticated and technologically advanced business. The new development must therefore provide large training rooms and educational facilities with associated parking.
- (vi) The opportunity to create a centre of excellence for farming, including access to land at which to demonstrate constantly evolving best practice farming techniques and to ensure new talent can be attracted to the industry. This site at Swainsthorpe provides such land.
- (vii) Such demonstrations involve very large machinery involved in modern farming methods, in which telematics satellites feature prominently. All farm machinery now relies on satellite technology for directional guidance and optimal operating efficiency. Also, satellite technology allows machinery faults to be reported to Ben Burgess branches without driver input. This allows immediate response, reducing the risk of a serious fault developing. This technology requires highly skilled operatives, for whom training would be undertaken on machinery at the land described above at the head quarters of Ben Burgess.
- (viii) The need for large external areas for machinery storage and demonstrations means the development will comprise a very low plot ratio. This could be as low as 17.22% if a 5 hectare site is developed. However, the plot ratio of the development shown at Appendix 3 is 7.48%.
- (ix) It is important to create a "destination business" which is not reliant on passing trade but which nonetheless is prominent and visible, allowing commercial exposure and promoting the agricultural sector, in the process raising its profile to new talent.
- (x) In respect of timescale, Ben Burgess is keen to relocate as a matter of urgency. The pressures on the business increase as the market share also increases and the inadequacies of the existing site are magnified as a consequence. It is essential Ben Burgess can retain its competitive edge in light of Brexit.

4. <u>Alternative Site Search</u>

4.1 The search for an alternative site actually began in 2012. Potentially suitable properties were difficult to identify at that time. In 2014 the freehold interest in the former Uniglaze property at Forest Way, Costessey came on the market and was considered in detail at that time by BB&C. Details are attached at Appendix 4. The property comprises 14,318 sq. m. on 4.19 ha (10.35 acres) and would have been ideal in terms of the key physical attributes of:-

- (i) Accessibility
- (ii) Visibility/prominence
- (iii) Size of site and building
- (iv) Modernity of building
- 4.2 The guide price for the freehold interest of approx. £25-£30 per sq. ft., reflected the depressed state of the market at that time. Following the downturn of 2008-2013, demand was minimal and supply had increased substantially, a combination of which exerted significant downward pressure on values. The price required for the property therefore equated to approx. 25% of the cost of acquiring a vacant site and design and construction of a unit of that size. Notwithstanding the depressed market conditions, the price therefore represented extraordinarily good value in comparison to the cost of developing a new unit.
- 4.3 Nevertheless, in spite of the various attractive and compelling reasons to pursue this property, Ben Burgess declined to do so because it was outside the area of search. Relocating to Costessey would have infringed on the catchment of the Beeston branch, which would have impacted on the effectiveness and viability of both the Beeston and new branches. Equally, it would not have adequately served the South and South East Norfolk market. As a consequence, the property was rejected.
- 4.4 The approach of the business to this property demonstrates three key aspects:-
 - 1. The resolve of Ben Burgess not to compromise in respect of its location criteria.
 - 2. The patience the business has been prepared to exhibit in waiting for a property to become available that meets its requirements in every respect.
 - 3. The willingness to invest significantly in the cost of new premises that meet the key criteria of the business.

5. <u>Sites Proposed by SNC</u>

- 5.1 In order to assist Ben Burgess, SNC has proposed seven sites for consideration as shown on the plan at Appendix 5. Of these, four are in locations that do not meet the location requirements of the business, namely Costessey, Easton, Wymondham and Long Stratton. The first three locations are outside the area of search, as highlighted on Appendix 2, while Long Stratton is too far from the A47 and therefore fails the second location requirement.
- 5.2 The three other sites, Keswick, Bixley and Brooke are acceptably located. However, an assessment of each and explanation as to why they are considered to be unsuitable is as follows:-

5.3 Land west of Ipswich Road, Keswick

- 5.4 A planning application on this site (ref 2017/2794) was submitted on 7th December 2017. A brief description of the application is:-
 - (i) Employment development consisting of B1, B2 and B8 uses, associated access, landscaping and proposed link road between the A140 and the B1113, to include a new roundabout.
 - (ii) Site area 12.7 ha (31.38 acres), of which 4.85 ha (11.98 acres) is landscaping, leaving a net developable area of 7.85 ha (19.4 acres).
 - (iii) Floor area for employment use of 28,329 sq. m. (304,933 sq. ft.). This is shown indicatively on the masterplan at Appendix 6.

- (iv) On the basis of the net developable site area and extent of development, the plot ratio will be 36.1%.
- (v) The planning application claims this quantum of development is necessary to fund the highway and drainage infrastructure associated with the scheme. Whilst the cost is not quantified in the documents accompanying the application, the extent of road improvements are identified.
- 5.5 Unless a site is required for a single site user with very specific requirements (as is the case of Ben Burgess at Swainsthorpe), the value of any site is maximised by achieving the optimal density of development on the net developable site area, particularly those coming forward speculatively with no specified user identified. This principle is illustrated by the masterplan at Appendix 6 which shows the high density development proposed on the developable area. The plot ratio is at the very top end of generally accepted levels for what largely will be single storey buildings, with the exception of two storey offices. The aim of the planning application is clearly to maximise gross development value.
- 5.6 While it is not possible to predict exactly the type and size of buildings for which demand will emerge, nonetheless, the indicative masterplan demonstrates the range of buildings and external areas for which demand is expected in due course. The application indicatively proposes a combination of B1, B2 & B8 uses, enabling the full range of forecast demand to be accommodated. The viability of the project will be enhanced by the development of fewer, larger standalone buildings, as opposed to terraces of smaller units where construction and associated costs are higher on a unit basis. Viability will also be enhanced by maximising development density as it is the value of buildings that contributes to the achievement of highest gross development value.
- 5.7 If the planning permission is granted for this conventionally masterplanned development, the applicant's expectation of value will reflect the volume of permissible development. The value will also be influenced by the location of the site close to Norwich and the trunk road network by way of the A47.
- 5.8 It is also a reasonable expectation that there will be developer involvement in the marketing, construction and disposal of completed buildings on the site at Keswick, enabling the developer's profit to be taken. Such profit is required in return for assuming the delivery role and the risk it entails and can equate to 20% of the land, construction, design and other associated costs.
- 5.9 However, if land is sold in an undeveloped state, such a profit is not available to the developer. The price of land sold prior to development may therefore be inflated in order to compensate the developer for the loss of the opportunity to derive profit from direct development.
- 5.10 The value of land at Keswick could extend to £700,000 per net acre for the parts of the site particularly prominent to the A140. This price has been achieved elsewhere in Norwich, for instance on Sweet Briar Road, where prominent and accessible land has been sold for development by owner occupiers, without developer involvement. A similar land value at £625,000 per acre has also been achieved at Broadland Gate with the sale of 2.5 ha (6 acres) to Jaguar Land Rover.
- 5.11 On the less prominent land at Keswick, values in the region of £500,000-£600,000 per acre may be sought. Again, at Sweet Briar Road, this is the price quoted for two plots of land without ring road frontage and where a more conventional industrial/warehouse use could be expected. Such values reflect not only the intensive development of all land for which planning permission may be obtained, but also the shortage of freehold, undeveloped industrial land in the greater Norwich area.

- 5.12 In several respects, the Keswick site could be suitable for Ben Burgess. It is:-
 - (i) Within the required geographical area.
 - (ii) Easily accessible to the A47 and trunk road network.
 - (iii) Prominent and, subject to planning, accessible.
 - (iv) Of the required size.
- 5.13 However, the difficulty for Ben Burgess is the high land value generated at Keswick if the planning permission is granted. The Ben Burgess operation requires a large land area, the majority of which is for external storage and demonstration of farm equipment, with low building coverage. The contrast in usage is demonstrated by the plot ratios which for the preferred Ben Burgess site at Swainsthorpe and the Keswick site are 7.48% and 36.1% respectively. Lower density developments of the type required by large single site users such as Ben Burgess do not support the level of land value higher plot density developments generate. Without planning intervention to limit the development density, the amount of development proposed at Keswick will create a land value in excess of the amount affordable by Ben Burgess.
- 5.14 Therefore, values of say £500,000-£600,000 per acre sustainable for land of the density of development proposed at Keswick are unviable for a 5 hectare (12.36 acre) site at the low development density proposed by Ben Burgess.
- 5.15 These values reflect the opportunity to construct buildings within developments of significantly higher plot value than Ben Burgess requires. This prices out owner occupiers looking to develop bespoke buildings in a low density development. It is for this reason that while the land west of Ipswich Road, Keswick could be suitable in certain respects, it is not a site Ben Burgess could pursue on grounds of affordability and viability.
- 5.16 Site at Bixley
- 5.17 This site is a redundant dairy farm that could comprise up to approx. 4.05 ha (10 acres). There are benefits to this site, in that it:-
 - (i) Is located in the required area.
 - (ii) Is proximate to the trunk road network.
 - (iii) In principle is available for purchase.
- 5.18 Earlier consultations with Norfolk County Council (NCC) in respect of highways have raised concern about the sustainability of existing access arrangements. A new access or intensification of access off the A146, a principal route, would be resisted. Equally, access onto the B1332 at this location would be considered to be equally unsatisfactory. There is also likely to be substantial archaeology at this site which is expected to restrict the developable area and at the same time, increase significantly the cost and timescale of bringing forward a scheme. This poses a threat to the viability of the site.
- 5.19 The access issue could possibly be mitigated through careful design and investment. However, the risk of archaeology and the fact that it has become apparent to Ben Burgess that this site is in any event of insufficient size to accommodate the immediate requirements, let alone future expansion, render it unsuitable. In addition, to support the investment needed in the new facility, the requirement is for a freehold property but this site was only available on a leasehold basis.

5.20 Brooke

- 5.21 Brooke Industrial Park is an established, multi occupied, employment site, within a range of freehold ownerships. Whilst the total area allocated for industrial development in the South Norfolk Site Specific Allocations & Policies DPD comprises 4.5 ha's (11.12 acres) there is limited available land for immediate development. For the site therefore to be suitable, it would have to be acquired by Ben Burgess in its entirety. No enquiries have been made of existing occupiers as to their willingness to dispose of their properties but it is clear that a site assembly exercise would be too time consuming and fundamentally unviable because existing use values of the range of buildings on the site would be substantially higher than vacant development land.
- 5.22 Furthermore, it may not actually be possible to create an entirely vacant site because several of the established businesses would require relocation which, in light of the current shortage of suitable industrial stock, would be far from straightforward and would be a major obstacle to securing vacant possession of a sufficiently large area of property.
- 5.23 This site does not therefore offer a realistic opportunity for Ben Burgess.

6. <u>Summary</u>

- 6.1 In seeking to satisfy its requirement to relocate its head office and principal branch, Ben Burgess has undertaken a long term search for suitable alternative sites. It has also objectively and positively reviewed a range of sites proposed by South Norfolk Council. In various respects, a number of the sites do accord with certain key aspects of the requirement. However, no site would deliver every component of the requirement of Ben Burgess.
- 6.2 This has not been a rushed or imprecise search for a suitable site. Ben Burgess has been very careful to appraise various opportunities where they have arisen and have exercised considerable patience in waiting for the optimum site to become available. Crucially, the land at Swainsthorpe would deliver the business with a freehold site:-
 - (i) Of appropriate size, prominence and accessibility.
 - (ii) At an affordable price that reflects the low density nature of the proposed development.
 - (iii) That is deliverable within an acceptable timescale.
 - (iv) Allowing further investment in skills, training and employment to be undertaken.
 - (v) All within a geographical location that meets the joint requirement of access to the established customer base and connectivity to the rest of the business.
 - (vi) And with the ability to develop a low density, highly landscaped head office complex of the quality and flexibility needed by a growing and successful Norfolk company.

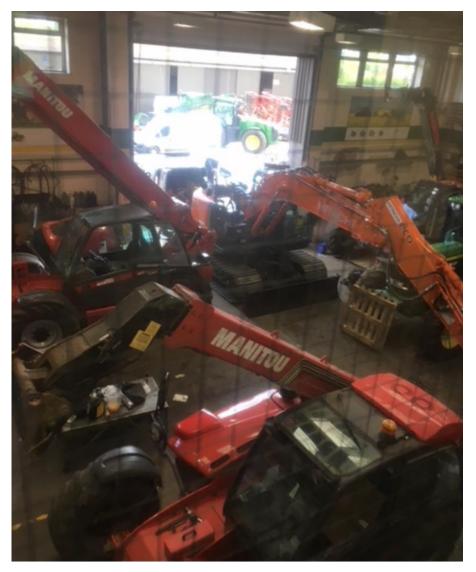
David Harvey 8th November 2018



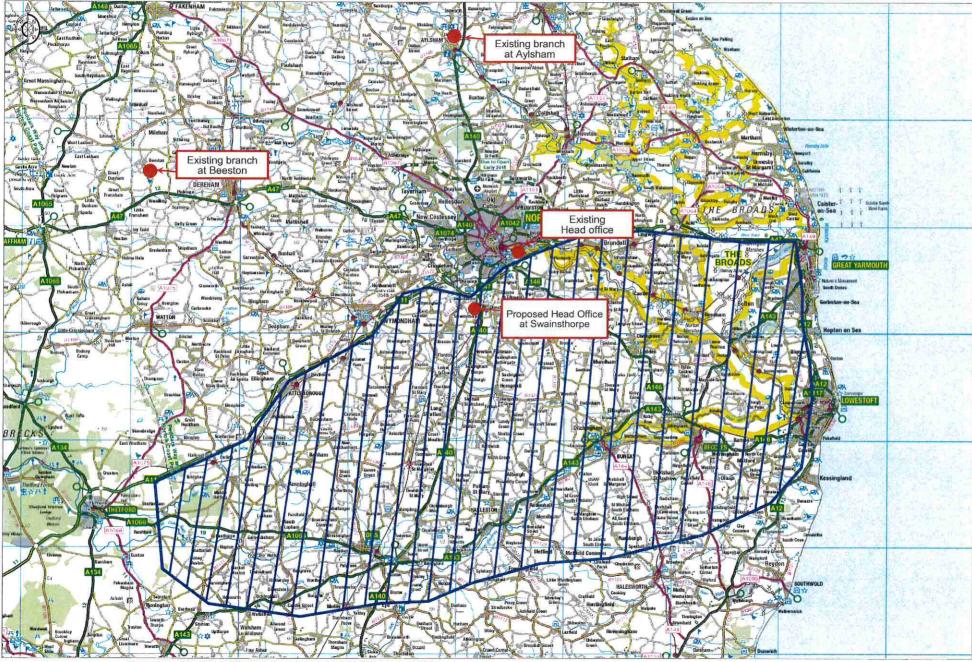








Appendix 2 - Catchment of Proposed Development



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STATION TABLE						
Station Name	Easting	Northing	Height (m)	Station Identifier		
STNBBS1	622168.623	300927.799	20.513	Mag Nail & Washer		
STNBBS1A	622153.263	300851.076	18.626	Mag Nail & Washer		
STNBBS2	622179.819	301005.527	21.908	Mag Nail & Washer		
STNBBS3	622181.004	301091.654	22.871	Mag Nail & Washer		
STNBBS4	622166.345	301247.861	22.736	Mag Nail & Washer		
STNBBS5	622155.736	301362.982	23.011	Mag Nail & Washer		
STNBBS6	622148.032	301476.327	25.859	Mag Nail & Washer		
STNBBS7	621934.350	301621.641	33.632	Mag Nail & Washer		
STNBBS8	622143.611	301600.947	26.407	Mag Nail & Washer		
STNBBS9	622175.775	301518.497	26.023	Mag Nail & Washer		
STNBBS10	622185.665	301452.551	24.897	Mag Nail & Washer		
STNBBS11	622253.300	301404.431	22.584	Mag Nail & Washer		
STNBBS12	622131.756	300923.079	22.491	Mag Nail & Washer		
STNBBS13	622033.066	300939.899	26.688	Mag Nail & Washer		
STNBBS14	621935.537	300959.683	28.557	Mag Nail & Washer		
STNBBS15	621890.974	301033.685	28.948	Mag Nail & Washer		

Control Stations have been forced to a Scale Factor of 1.

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PROPOSED DEVELOPMENT BLOCK PLAN



Location Plan - Metres @ 1:1000 @ A0

Rev	Date -	Description -	
А	11.01.2018	First Issue	
В	14.02.2018	Revised Building Position, Hard Landscaping,	
		Entrance Feature, Workshop, Etc	
С	14.05.2018	Overall Re-design following Surface Water Modelling	DESIGN
D	14.05.2018	Revised Ownership Line, Indication of GNLP 0603	
E	22.05.2018	Amendments Following Design Team Meeting	
F	23.05.2018	CODE Review	© 01603 616884 ∕∄www.kgarnham.co.uk
G	11.06.2018	Revised Surface Water Drainage Basin	⊠ info@kgarnham.co.uk
н	12.07.2018	Building Heights	
1	26.07.2018	Layout Plans Developed	
J	04.09.2018	Layout Plans Further Developed	Project - Proposed Headquarters Client - For Ben Burgess Holdings Limited
к	17.09.2018	Revised subsquent to Pre-Application Response	Development for
L	10.10.2018	Further Revisions subsquent to Pre-Application Response	Ben Burgess Scale - 1:1000 @ A0 Drawing Number - 1515 on Land West of
			Ipswich Road (A140), Drawn By - James Sheet Number - 3 Swainsthorpe, Norwich.
			Date - 23.10.2018 Revision Number - L

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Substantial modern factory unit Forest Way, Longwater, Norwich, NR5 0JH

14,318 sq m (154,122 sq ft) On a site of 4.19 hectares (10.35 acres)

Highly prominent & accessible location adjacent to A47
192 car parking spaces and extensive yard areas



On behalf of C Pole Esq, Joint Administrator of Uniglaze 2 (East Anglia) Limited



Location

The property is situated in one of Norwich's most accessible & prominent locations and benefits from an extensive frontage to the A47 dual carriageway.

Situated approximately 5 miles to the west of the City centre, Longwater is one of Norwich's most established business locations. Immediately to the east of the property is a BMW car showroom and a Premier Inn hotel, with the Norfolk Showground just to the south. On the opposite side of the A47, there is a Sainsbury's Superstore, McDonalds and a Club Carrefour Health & Fitness Centre, along with a number of other industrial & warehouse occupiers, including Lotus Cars and the East Anglian Ambulance Service.

The A47 interchange with the A1074 Dereham Road provides access back into Norwich City centre. The A11 is situated approximately 4 miles to the south-east, with the A47 also linking to King's Lynn and beyond to the Midlands in the west.

The UK's largest container port Felixstowe is approximately 60 miles away, with Cambridge and Ipswich being within 60 and 40 miles, respectively. Norwich railway station provides a twice hourly rail service to London Liverpool Street with the quickest train time being 1 hour 40 minutes. Norwich International Airport has 4 daily flights to Amsterdam Schiphol Airport, along with regular flights to a number of national and European destinations.

Norwich is the principal commercial & administrative centre of Norfolk and has a travel to work population of 367,000, with 121,600 people living within the City Council area. Major employers include Aviva, Marsh, Virgin Direct, Colman Foods, Kettle Crisps and Anglian Windows.







Description

The property comprises a substantial modern production unit, with high specification offices at the front within a self-contained site. It is of steel portal frame construction under a double pitched roof with a combination of blockwork, composite cladding pads and glazed curtain walling.

The main production area benefits from:

- 9 full height electrically operated loading doors at the western end of the building
- 19 dock level loading doors under the first floor offices, with a further 8 standard loading doors along the southern elevation
- An eaves height of 6.85 m
- A concrete floor with 50 Kn per sq m floor loading
- Sodium lighting
- Electricity, gas and water
- Two 6.4 tonne gantry cranes
- Mezzanine floor adjacent to the offices

The first floor offices are accessed by an impressive reception area situated at the southern elevation of the building. The offices are mostly open plan, although some meeting rooms have been created using demountable partitioning. The specification of the offices includes:

- Suspended ceilings with recessed lighting
- Comfort heating and cooling
- Raised floors with floor boxes
- Carpets throughout
- Double glazing
- Male & female WCs
- 8 person passenger lift

There is a ground floor canteen adjacent to the reception, which is also accessed via the main factory area.

Externally, there are service yard areas to the east and west of the building, with the main car parking at the front. There are a total of 192 car parking spaces.

Accommodation

The building provides the following gross internal floor areas:

Ground floor production 12,769 sq m	(137,447 sq ft)
Staff/reception area 355 sq m	(3,817 sq ft)
First floor 1,194 sq m	(12,848 sq ft)
Total 14,318 sq m	(154,122 sq ft)

There is also a mezzanine of 1,311 sq m (14,114 sq ft). The site area extends to **4.19 hectares (10.35 acres**).



Rateable Value

According to the Valuation Office web-site, the property has a rateable value of £650,000.

For the current rate in the pound, please contact the joint agents.

Terms

Freehold with vacant possession. Price upon application.

Alternatively, a new full repairing & insuring lease may be available.

Legal costs

Each party to bear their own costs incurred in the transaction.



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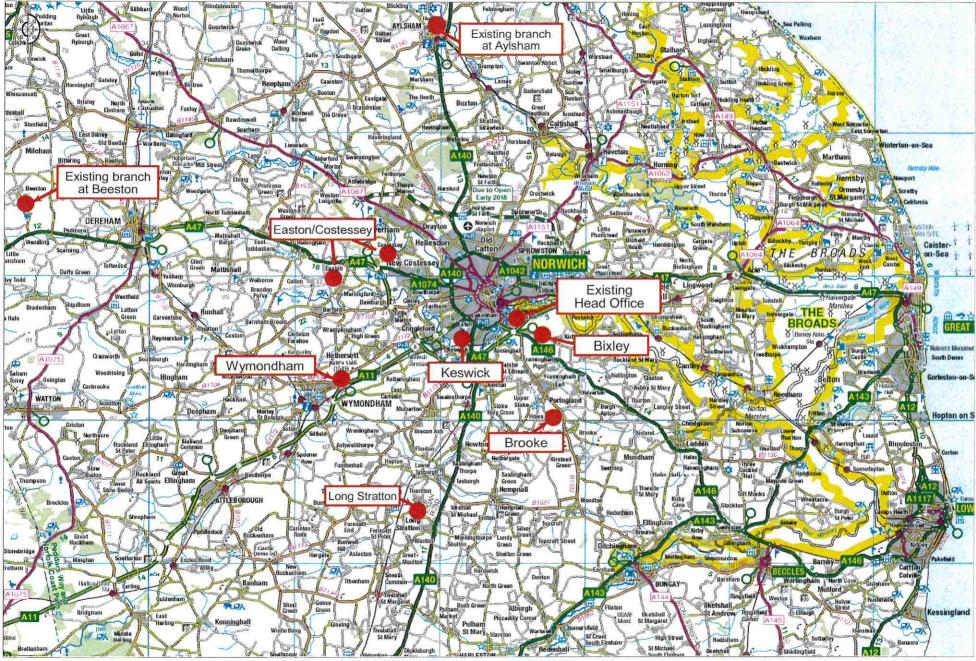


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Appendix 5 - Sites Proposed by South Norfolk Council



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