



**GL Hearn**

Part of Capita Real Estate

# Settlement Mix Report

**Harrogate Borough Council**

Green Hammerton

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## **Prepared by**

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## **1 INTRODUCTION**

- 1.1 GL Hearn has been asked by Harrogate District Council to undertake a study looking at the potential scale of employment demand at the preferred location for a new settlement at Green Hammerton.
- 1.2 The new development will be delivered over the local plan period and beyond. The settlement is located north of the York-Harrogate-Leeds railway line spanning the area from Cattal to Hammerton stations and either side of the A59.
- 1.3 The new settlement is expected to comprise approximately 2,700 dwellings and associated uses including employment, education, community, retail, health, leisure and green spaces, to enable residents to meet the majority of their day to day needs, reducing the need for outward commuting.
- 1.4 Green Hammerton is located in the Eastern Rural sub-area of the district which is predominantly rural. The Harrogate Economic Development Needs Assessment (HEDNA) identified that there is currently very little in the way of employment uses in the surrounding area.
- 1.5 The HEDNA also assessed the sub-region site for its commercial attractiveness and potential to come forward for employment uses. It concluded that as the area is mostly rural with no major commercial property drivers and a limited labour force, it is not considered that the site would be viable to support standalone B-class development.
- 1.6 However with the allocation of Green Hammerton as a new settlement, in order to avoid it becoming a dormitory town, some element of employment uses should be provided. There is also typically a requirement for employment land at all towns of a certain size in order to support their functionality and local needs. The purpose of this document is to estimate the likely level of employment land to be allocated.
- 1.7 Employment land is comprised of offices, factories and warehouses. Our approach is informed by the scale of industrial and distribution supply in comparable locations as well as engagement with local commercial agents.

## 2 METHODOLOGY

- 2.1 Significant residential growth will require an element of employment land in order to provide local employment and services. This will typically increase in response to the settlement size as greater levels of critical mass are achieved.
- 2.2 Given the timescales and uncertainty in future employment markets it is considered unrealistic to assess the potential levels of investment interest for the study area and rather we provide an indication of employment land estimate that captures the potential of the new settlement.
- 2.3 In order to estimate the adequate employment land provision, we have assessed the ratios of B1c/B2 (industrial) employment land per dwelling in comparable locations. We have sought to isolate these uses from B8 uses to avoid double counting.
- 2.4 B8 development is driven by logistics demand as well as access to the strategic road network and land availability. Given the nature of the proposed development and the ready access to the A1(M) there is likely to be a requirement for B8 employment land. We have estimated this based on similar locations within Yorkshire i.e. located close the strategic road network.
- 2.5 The rural parts of Harrogate and North Yorkshire generally are not strong office markets. New speculative or rental office build is unlikely to be viable. Discussions with agents (which took place as part of the HEDNA) indicate that a new settlement is unlikely to trigger a demand for offices in the area outside of typical incidental town centre uses. These discussions are set out in later in the report.

### Comparable Locations

- 2.6 Based on information set out in the HEDNA the 2014-based Sub National Population Projections expect the districts population to grow to 161,926 by 2035. This level of growth is translated into 73,600 households. This equates to an average household size of 2.20.
- 2.7 The draft allocation sets out a potential yield of 2,774 dwellings at Green Hammerton. Assuming the area is reflective of the wider population then the associated population of the new settlement would be 6,103 people.
- 2.8 There are 14 settlements in Yorkshire which have a population which is +/- 10% of the calculated population at Green Hammerton. However not all of these sites are suitable for this study. For example Withernsea and Filey have coastal tourism based economies and have very little B-class in employment land. Similarly Haworth has a largely tourism related economy.

- 2.9 In contrast, Tadcaster has an historic and ongoing brewery industry which means that its employment land covers a much wider area than towns of comparable size. While Strensall has a similar population size much of this is held within the army barracks.
- 2.10 Four of the other locations form part of larger settlements which result in economies of scale. Bolton-on-Derne is located alongside Goldthorpe while Waltham and New Waltham are neighbouring villages. The economic activities and function areas are not clearly discernible therefore analysis is not included.
- 2.11 While other sites are suitable comparators, recent development and the age of aerial photography makes them unsuitable. This includes Stainforth in Doncaster district and Ackworth Moor Top in Wakefield.
- 2.12 The remaining three settlements have been used to form a template for Green Hammerton. These settlements are:
- Dodworth, Barnsley, South Yorkshire – Population: 6,048
  - Upton, Wakefield West Yorkshire – Population: 5,992
  - Shepley, Kirklees, West Yorkshire – Population: 5,545
- 2.13 For B8 demand we have sought to identify logistics sites which are located within smaller settlements less than 4 km from the A1(M) (as the crow flies). As the logistic industry is related to the proximity of markets, as with Green Hammerton, we have sought to establish only those sites which are north of Leeds District.
- 2.14 Some of the sites identified were directly on Motorway junctions and would therefore see higher demand than Green Hammerton. These sites included B8 locations at Leeming Bar; and Catterick. The remaining sites, listed below, were all located closer to the A1(M) than Green Hammerton.
- Melmerby Business Park;
  - Marston Business Park, Tockwith;
  - Bar Lane, Boroughbridge; and
  - Flaxby Sites.
- 2.15 We have sought to isolate the B8 elements of these sites to avoid double counting with the B1c/B2 elements from the similar sized locations. This was achieved by examining unit floorplates and plot ratios of the buildings using aerial photography.
- 2.16 We also provide some commentary related to the demand for office accommodation. As with most small towns and villages this is likely to be limited to town centre uses or small business parks. We have examined the scope for these based on our discussions with local agents.

### **3 ASSESSING LAND DEMAND**

This section of the report provides the calculations and analysis in examining the potential range of employment allocation at Green Hammerton.

#### **Industrial Demand**

3.1 Using GIS we have sought to estimate the amount of industrial land within each of the comparable settlements. This was again based aerial photography identifying smaller units with more modest plot ratios. The analysis of the comparable sites is set out below.

##### **Upton**

3.2 Upton is located in Wakefield district approximately 4.5 km from the A1(M). It is close to North and South Emsall which includes the significant Dale Lane Industrial Estate which is a distribution based commercial location.

3.3 The town is also located close to the Langwaite Business Park in South Kirby which may draw some of the demand away from the town.

3.4 There are a number of smaller industrial locations in Upton, most of which are located along Waggon lane. Within these sites there are a number of trade counters and Sui-generis uses. In total these sites amount to some 3.8 Hectares.

##### **Shepley**

3.5 Shepley is located in Kirklees district on the A629 approximately 8 miles south of Huddersfield. There are only two stand-alone industrial areas in the town, both of which are located off Abbey Road North. Combined these sites have a total area of 2.1 Hectares.

##### **Dodworth**

3.6 Dodworth is located at junction 37 of the M1 which it shares with Barnsley. As such there is the potential that some of the industrial uses are driven by its proximity to the town. As a result it could be argued that it is not a like for like comparison.

3.7 There are a number of commercial locations within Dodworth. However, as the town has very good access to the M1 much of these are taken up by strategic B8 development. The town also has an office based Capital Park which is not fully built out.

3.8 Fall Bank Industrial Estate and Upper Cliffe Road to the North of the town do have a mix of B2 and B8 uses. We have estimated that those areas in B2 use comprise around 7.0 Hectares including some sui-generis uses such as trade counter.

- 3.9 The Stafford Industrial Park to the south of the town has some open storage but the remainder of the site is in B2 uses. This area comprises around 1.2 Hectares. In total these sites 8.2 Hectares

### **Demand Calculations**

- 3.10 Across the three towns an average of 4.7 Hectares of B1c/B2 employment land has been provided. This is skewed somewhat by Dodworth which may be attracting a larger amount of employment stock due to its locational advantages i.e. near a major town and on a Motorway junction.

**Table 1: Average Industrial Floorspace by settlement**

Location	Hectares
Upton	3.8
Shepley	2.1
Dodworth	8.2
Average	4.7
Average Excluding Dodworth	3.0

Source: GL Hearn, 2017

- 3.11 Given uncertainties with Dodworth as a valid comparator it may be worthwhile focusing on the lower end of this range when planning for Green Hammerton. This would mean a need for approximately 3 Ha of B2/B1c employment land.

### **Distribution Demand**

- 3.12 There are a number of factors which drive demand for B8 accommodation. In addition a distinction should be made between small-scale B8 floorspace and strategic distribution. Smaller scale demand is driven more by growth in the population and the local economy which it serves.
- 3.13 Demand drivers for larger new-build strategic sites include replacement provision for older warehouse space, together with growth in traffic / trade including final mile distribution. The location of demand for strategic B8 will also be influenced by the availability of commercially attractive sites.
- 3.14 As set out below there are a number of strategic sites in the general A1(M) area north of Leeds. Typically the strategic distribution uses in the area are linked to food production and are therefore linked to the wider rural economy. This indicates that if provision was made at Green Hammerton there could potentially be some interest from operators.
- 3.15 Depending on the condition and age of nearby stock there could also be a scale of replacement demand. This typically manifests in locations which could provide new build opportunities close to the strategic road network and close to their existing premises which Green Hammerton potential provides.



### **Melmerby Business Park**

- 3.16 Melmerby is a business park focused on the food industry as are all the comparator sites. The largest occupier however is Wolseley, the parent company of Plumb Centre. Only around a quarter of the site is in distribution uses with the remainder in part production and smaller distribution.
- 3.17 The HEDNA notes that the site is functioning well and there is high occupancy. It adds that the Business Park contains two large distribution occupiers (Wolseley and Potter Logistics) and numerous medium and small industrial units with local occupiers. The total site size is around 25 Ha but it is estimated that distribution uses occupy around 5.4 Hectares.

### **Marston Business Park, Tockwith**

- 3.18 Marston Business Park near the village of Tockwith is located on the site of the former RAF Marston Moor. Although the site is within four kilometres from the A1(M) road access is around 7 km from the site. Given its proximity to Green Hammerton it arguably provides the closest comparator.
- 3.19 The site was assessed as part of the HEDNA and it was reported that the quality of the units were poor and it had little investment. Due to accessibility and quality of site, it is difficult to foresee commercial interest, and it is unlikely to attract significant investment. The B8 elements of the site which are smaller regional distribution units only comprise around 2.1 Hectares.

### **Bar Lane, Boroughbridge**

- 3.20 The distribution uses at Bar Lane while being adjacent to the Motorway do not have direct access on to it. However it is still much closer to the A1(M) than the proposed site at Green Hammerton.
- 3.21 As part of the HEDNA the site comprises mainly B2 units in a range of sizes. There are various occupiers with nearly half of the site (and the largest units) occupied by Reed Boardall, a cold storage distributor. This part of the site offered very good quality of stock and that there was a high occupancy levels.
- 3.22 The eastern part of the site, which houses the strategic distribution units, has a total area of 6.8 Hectares.

### **Flaxby**

- 3.23 There are two large and distinct distribution locations within Flaxby. In both instances there has been historical production at these facilities although one of these sites is now closed. The site is in close proximity to Green Hammerton and would share a motorway junction.

- 3.24 The northern site includes an egg distribution Centre owned by Chippendale food as well as a production and distribution unit operated by Morrisons Supermarkets. This was not assessed as part of the HEDNA.
- 3.25 The southern site is a vacant printers and distributors formerly occupied by RR Donnelly, which published Yellow Pages. The HEDNA noted that the existing unit is in reasonable condition and could be brought back into re-use.
- 3.26 The northern site has a total area of 5.2 Hectares. We have not included the RR Donnelly site due to its current vacancy. Given the long-term vacancy of the site it does lead us to question the demand for major distribution units in the Green Hammerton locale.

**Demand Calculations**

- 3.27 Across the four distribution centers an average of 5.8 Hectares of B8 employment land has been provided. However in three quarters of the examples used there is substantially better access to the A1(M) than at Green Hammerton.
- 3.28 The Green Hammerton site would be located somewhere between the Melmerby Business Park and Marston Business Park distances from the A1(M). These sites have an average size of around 3.8 Hectares of employment land.

**Table 2: Comparable Distribution Centres**

Site	Hectares
Melmerby Business Park	5.4
Marston Business Park	2.1
Bar Lane, Boroughbridge	6.7
Flaxby (north)	5.2
<b>Average</b>	<b>4.9</b>

Source: GL Hearn, 2017

- 3.29 As noted some of the comparable locations have substantial elements of strategic B8. It is not necessarily true that these uses would be replicated elsewhere, particularly given the site will be slightly further away from the strategic road network.
- 3.30 A sensible approach may be to consider a range of allocations from 3.8-4.9 Hectares with the upper end providing some opportunity for strategic/regional support or the provision of older units elsewhere in the district.

**Office Demand**

- 3.31 The rural parts of Harrogate and North Yorkshire generally are not strong office markets. New speculative or rental office build is unlikely to be viable. Discussions with agents (which took place

as part of the HEDNA) indicate that a new settlement is unlikely to trigger a demand for offices in the area outside of typical incidental town centre uses.

- 3.32 In the longer term there may be potential for some office development as has occurred in some villages in the area. Demand for such might increase as viability increases linked to improvements to the railway.
- 3.33 None of the commercial property agents consulted during preparation of the Harrogate HEDNA identified much commercial interest or unmet employment property needs in the area. They did note that there is very little in the way of interest for office uses in this location, with the local office market focussed in Harrogate and Knaresborough.
- 3.34 Our recommendation is that the no specific B1a/b allocation is made at Green Hammerton but that these uses should initially be considered as part of the Town Centre mix. In the longer term there may be potential for some office development as has occurred in some villages in the area. Demand for such might increase as viability increases linked to improvements to the railway.

#### 4 CONCLUSION: TOTAL NEED

4.1 As part of the HEDNA consultation, discussions with local agents did reveal that there was interest for industrial and distribution uses as the site is located on the A59 which provides direct access to the A1(M) at Junction 49.

4.2 The strategic road links provide some demand for distribution uses, however these are predominantly linked to the manufacturing (predominantly food and drink manufacturing) within the local area, and hence demand was modest.

4.3 The HEDNA also revealed that the sub-area had an oversupply of available land compared against the limited demand. Therefore, the demand for commercial uses at the site is considered relatively modest. Although again this may change with delivery of the residential elements at Green Hammerton. One solution would be to firstly establish a range of development opportunities and then phase these allocations subject to shorter and thereafter to suit the longer term demand

4.4 Combining the identified demand for B8 and B1c/B2 identifies a total estimated demand for between 6.8-9.6 hectares of employment land. Given uncertainties the upper end of this range should be seen as the absolute maximum.

**Table 3: Green Hammerton Potential Demand by Use Class (ha)**

Use-Class	Low	High
B1c/B2	3.0	4.7
B8	3.8	4.9
Office	0	0
Total	6.8	9.6

4.5 As stated earlier there is little by way of demand for office accommodation in this area. However by planning for anything above 6.8 Ha there is scope for additional provision within the identified range. The upper end of the range also assumes that some strategic distribution would also be met.

4.6 A phased approach as noted above could potentially consider the distribution of uses as set out below:

**Table 4: Indicative Phasing Strategy (ha)**

Use-Class	Initial masterplan	Longer term
B1c/B2	3.0	2.0-5.0
B8	2.0	
Office	0	0
Total	5.0	5.0

4.7 This approach ensures the early provision of more functional elements of the employment land and an element of B8. A later or longer term phase could be included as a flexible response to further B8 or B1c/B2 as appropriate requirements subject to demand locally and across the sub region.