

Commercial Property Demand Report

Prepared for:

Client: Cadent Gas PLC

Property: Report Into Commercial Potential Of Redundant Land -
Cadent Gas, Brick Kiln Street, Hinckley

Date: 14 May 2021

Contents

- Location 3
- The Site 3
- Potential Alternative Uses 4
- Supply Of Warehouse/Industrial Space 5
- Conclusion..... 6

Location

Hinckley is a town in south west Leicestershire, administered by Hinckley and Bosworth Council. It has a population of approximately 45,000 inhabitants and lies approximately mid way between Leicester and Coventry, close to the M69 Motorway.

Whilst the town was a traditional centre of the hosiery industry, this has declined over recent decades and due to its location, has become a popular location for storage and distribution businesses. It is also the home of Triumph Motorcycles since 1990, which has grown to be a significant employer in the town.

The site is located a short distance from Hinckley town centre, with access from Brick Kiln Street. This road leads to the B4666 Coventry Road, which provides access to both the A5 and to Junction 1 of the M69 Motorway.

The surrounding area is predominantly residential in nature and the site is bounded to the north and east by quiet residential streets, the north west and due south by a park and the south west a Lidl supermarket.

A plan of the site is contained in Appendix 1.

The Site

The site is currently used for administrative offices and car parking for Cadent Gas.

The office space is currently provided in four buildings with a large car park to the north of these. There are further ancillary buildings including workshops and stores around the site together with a further car park to the south east corner of the site.

Cadent's requirement for offices in this area has diminished significantly in recent years and the most northern building on the site has been identified as redundant and the adjacent car park surplus to requirements.

The total area is 5.87 Ha of which 3.03 Ha is no longer need by Cadent Gas. The surplus land has an office building dating from, we estimate, the 1970's with a footprint of circa 2,600 m²

The surplus portion of the site is surrounded by either low density housing or attractive public open space (Clarendon Park)

Access to the site is via Brick Kiln Street, through the Cadent Gas operations or through Trinity Vicarage Street. It has been established that a further access could be taken from St George's Avenue.

Trinity Vicarage Street and St George's Avenue are both narrow and quiet residential streets.

Photographs of the site are contained in Appendix 2.

Potential Alternative Uses

i. **Re-Use Of Existing Building**

The existing redundant building extends to approximately 2,600m² and was constructed, we estimate, in the 1970's. This accommodation will perform very poorly in terms of its thermal efficiency and is of a scale that would be unattractive in the current market. Demand for offices in Hinckley is fairly limited and small in scale. It is unlikely that this building would be attractive to large scale office occupiers. Such companies now require attractive modern space with very good facilities for staff and also excellent environmental performance. This trend is continuing at pace due to organizations' Environmental, Social and Governance duties and the need to attract the best staff. It is unlikely that the building could be successfully converted to residential use. The floor plate is too deep to provide natural light and the low rise nature would be an inefficient use of the site taken. Furthermore, the quality of the building would not be visually attractive or perform well thermally without significant remodeling.

ii. **New Office Development**

The site is in the town centre and could comfortably accommodate new office accommodation. However, Hinckley does not benefit from an established office market and is not sought as a relocation destination for footloose companies. There is not a large amount of office space provided within the town, which would indicate a lack of demand and spaces used in the town tend to be small and a local in nature.

Large office users require an established office market and the skilled administrative and professional staff that implies. Hinckley does not benefit from a large population and is not a regional hub for public transport. Large scale regional office demand is focused on Birmingham city centre, some 25 miles to the south west, with secondary markets in Coventry and Leicester at either end of the M69.

We have looked at office take up in the town over the last five years, using the CoStar commercial property database and this indicates a relatively low annual absorption of space. This summary is attached in Appendix I, together with a schedule of available office space in the town and surrounding area, which further illustrates the small-scale nature of the market.

iii. **Retail**

The site is somewhat remote to the High Street and could not provide any cohesive extension to that. Furthermore, demand for town centre retail is at such low levels, there are numerous vacant retail properties within the town centre, which indicates that demand is low.

Whilst it is feasible that a further food retailer could be accommodated on the site, we do not consider this to be a viable option given the desire of Cadent Gas to retain the front building, thereby restricting visibility and there will be a reluctance from retailers to relocate immediately adjacent to a relatively near Lidl supermarket.

iv. **Industrial and Warehousing Development**

Hinckley has been successful in attracting significant new development of warehousing and industrial occupiers over the last decade. Its proximity to both the A5 and M69 has made it a popular choice for such users.

Demand remains strong throughout the Midlands region for warehousing and distribution properties of all sizes, however, in seeking such accommodation, occupiers will require one or more of the following criteria: -

1. Easy access to the motorway network.
2. Lofty, high specification space.
3. The ability to work around the clock, including weekends and holiday periods.
4. Accessibility to skilled labour.
5. Unimpeded access for articulated and other large goods vehicles.
6. For manufacturers not being close to noise sensitive neighbours.

The residential nature of this area, the minor status of the access roads and the proximity to attractive public open space would by necessity, restrict the height of buildings relative to the surrounding housing and require business occupiers to practice only quiet operations.

Whilst the design and construction of modern warehousing and industrial buildings is high, they do not fit in with the architecture of the surrounding housing and public open space. They would have a significant detrimental impact on the visual amenity of the residents and users of the public open space.

Supply Of Warehouse/Industrial Space & Development Land

In Appendix 2 we attach a schedule of available Employment Properties within Hinckley and the surrounding area. This information is contained within Appendix 3 and from this, it will be noted that there is an significant supply of retail, office, warehouse and industrial space in suitable locations, with large modern warehouse in locations providing access to the major trunk roads.

We note that Employment Land allocations have been made close to the A5, identified as BUR50PP and as part of the mixed-use site HIN02. Both these sites are better suited to occupiers needs, insofar as they have good access to roads suitable for HGV traffic and are not intricately linked with quiet residential and public open space areas.

Conclusion

Having considered the above information, we consider that this site is of very limited suitability for employment uses. The land is not well enough located, nor of sufficient prominence to be suitable for retail development and demand for such space has declined significantly over the last decade, particularly during the last two years.

Occupier demand for office space has declined, particularly over the last few years and in our opinion, will continue to do so as many companies and workers have embraced home working. Whilst office demand will continue, we are of the opinion that this will be focused on regional city centres and major transport hubs.

Hinckley does not have a well-established office market and it is a relatively small town in the county of Leicestershire. Office demand for the town is not strong, demonstrated by the number of transactions over the last five years. This demand is both small and local in nature. We, therefore, do not consider that extensive office development on this site is an economically viable option.

Demand for warehousing and industrial premises on both a national and regional basis remains strong and there is currently a shortage of available space of all sizes across the Midlands region. It is, therefore, feasible that this land could be economically viable for such uses, perhaps for space of smaller sizes. However, the quiet residential nature of the surrounding area, the relatively minor nature of the roads accessing the site and the likely restrictions on vehicle size and operating hours would, in our view, place unacceptable restrictions on potential occupiers.

It is our opinion that this is a poor candidate site for commercial development and better opportunities are available along the A5 and M69 corridor, as well as on the outskirts of Hinckley itself.

Appendix 1



Appendix 2



