Hearing Statement – Matter 2

Doncaster Local Plan

On behalf of Harworth

August 2020
1. **Introduction**

1.1. This is a Hearing Statement prepared by Spawforths on behalf of Harworth in respect of:

- Matter 2: Quantity of Development needed in the Borough

1.2. Harworth has significant land interests in the area and has made representations to earlier stages of the Local Plan process.

1.3. The Inspector’s Issues and Questions are included in **bold** for ease of reference. The following responses should be read in conjunction with Harworth comments upon the submission version of the Doncaster Local Plan, dated September 2019.

1.4. Harworth has also expressed a desire to attend and participate in Matter 2 of the Examination in Public.
2. **Matter 2 – Quantity of Development Needed in the Borough**

Q2.1. Is the strategic aim in policy 3 to facilitate the delivery of at least 481 hectares of land for business (B1), general industry (B2) and storage and distribution (B8) uses over the plan period (2015 to 2035) justified and positively prepared?

2.1. This Statement should be read alongside Harworth’s representations submitted by Carter Jonas, including the ‘Employment Land Need and Demand Assessment, Gateway 180 at Bradholme Farm’ undertaken by Knight Frank (2019). The latter notes that Doncaster is ideally located along the M18 / A1(M)/ M180 Corridors, and notes that the local authority is proactivity promoting the area as a logistics hub. The report provides analysis of the high level of take up of employment land in Doncaster since 2003.

2.2. The 2018 ELR [SDEB 10] and 2019 update [SDEB 10.1] highlight that there is very strong market demand for industrial space in Doncaster. In terms of overall take up of employment land SDEB 10 indicates an employment land take up of 483.17 hectares in the 18 year period between 2000 and 2017 (inclusive). This equates to an average take up of employment land of 26.8 hectares per year, with 21.9 hectares a year being taken up by employment uses. The average take up quoted for years 2015-17 increased to 29.22 hectares. It is concluded within SDEB 10 that the release of 31.51 ha per annum, would be sufficiently high to meet the recently evidenced market demand, which has been enhanced by a number of factors such as the growth of online retailing and manufacturing and hence which is likely to support an ongoing strong take up of employment land over the Plan Period.

2.3. Following submission of our earlier representations the Council have produced an updated Employment Land Needs Assessment, March 2020 [SDEB 8]. It states that between 2005 and 2018 take up of employment land equates to 383 ha, an average of 27.4 ha/annum, 57% of which was for warehousing with 50% alongside/near the Strategic Road Network. SDEB 8 confirms that the earlier SDEB 10 does not set the land requirement figure but instead this
report updates this requirement. The Economic Forecasts and Housing Needs Assessment, PBA 2018 [SDEB 44] provided a jobs growth forecast scenario assuming 1% jobs growth (27,100 jobs between 2015 and 2032), which DMBC have converted into an employment land requirement. DMBC methodology resulted in a requirement of 409 ha to 2032 based on Jobs Growth. Jobs Growth forecasts were not reviewed for the extended Plan period. The annual average of 24 ha has been assumed for the remainder of the Plan Period resulting in a requirement of 481 ha. The conclusions drawn reflect those previous published in Employment Land Needs Assessment (ELNA) Update 2019.

2.4. It is clear that this average level of take up and demand has been exceeded in the first three years of the Plan. The Submission Plan indicates 117 hectares of employment land were taken up in the first three years of the Plan which equates to 39 hectares per annum, significantly above the Plan target of 24 hectares per annum. We note that SDEB 8 records the following Employment land take up, but it is not clear whether the monitoring periods align fully with the base dates for the Local Plan:

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment Land Take up (Ha)</th>
<th>Employment Use</th>
<th>Other Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>15.65</td>
<td>3.18</td>
<td>12.47</td>
</tr>
<tr>
<td>2016</td>
<td>36.44</td>
<td>31.47</td>
<td>4.97</td>
</tr>
<tr>
<td>2017</td>
<td>78.85</td>
<td>53</td>
<td>25.85</td>
</tr>
<tr>
<td>2018</td>
<td>40.32</td>
<td>31.38</td>
<td>8.94</td>
</tr>
</tbody>
</table>

2.5. Knight Frank’s report submitted alongside Harworth’s Representations (September 2019) consider that the take up for the 4 years between 2015 – 2018 evidenced in the Employment Land Need Assessment 2019 update equated to an average of 29.75 hectares per annum which is more reflective of the current industrial and warehouse occupier trends. Our previous representations noted on the basis of average take up that there is just 12 months
of immediately available/deliverable supply on the market. It is evident that demand for allocated employment land is outstripping the supply. This significantly enhances the case for additional allocation of employment land to meet the rising demand / need.

2.6. Market signals indicate the continued demand for warehousing and interest in manufacturing. Evidence since the Publication of the Plan in 2019 continues to point to strong demand for employment floorspace in Doncaster. Take up of Employment Land floorspace remained above target at 25.28 hectares for the year 18/19 [SDEB 7].

2.7. The 19/20 Employment Land Availability Assessment was not available at the time of writing. However a number of Industry reports have indicated that market demand and take up has been high. The Big Box Summary 2020 (JLL, Jan 2020) notes that nationally take up in H2 of 2019 was 7% higher, than H1, with take up in 2019 matching the five year average, with retailers being the most active source of take up at 40% of A grade space. Savills Big Shed Briefing – July 2020 notes that the Yorkshire and North East region has witnessed the strongest take up ever recorded in the market. Significantly take up in the first half of 2020 totalled 7.13 million sq ft, surpassing take up in the whole of 2019, despite uncertainties in the market. Critically it notes that there is only 0.87 years’ worth of supply left within the region. Evidence in Appendix 1, by Knight Frank, indicates that this is reflected in Yorkshire, with take up in the first half of 2020 (3.65 m sq ft) exceeding take up in 2019 (3.3 m sq ft), and noting a strong start to take up in H2 2020. Evidence on take up indicates that take up in Doncaster accords with this regional trend. This is amply demonstrated by the significant deal agreed in May 2020 [post the outbreak of COVID pandemic] for a distribution and training facility at Unity for 79 acres (circa 31 hectares). Notably this single transaction in the first quarter of year 20/21 exceeds the average annual requirement of 24 ha.

2.8. It is noted that the Inspector is not explicitly asking for further evidence in relation to COVID and the potential implications. However it is worthy of note that there are several industry reports that show market activity has returned post lockdown [JLL, 2020]. Prologis note that they expect to see a boost to logistics real estate with demand resulting from inventory levels and e-commerce. Prologis note that the source demand for most logistics real estate users has not changed, and that many items that supply chains are tied to relate to basic daily needs such as food, beverages, consumer products, and medical supplies. Further they note increasingly high service level expectations and higher barriers to new supply with suppliers increasing their inventory levels to ensure business continuity, combined with trends showing
continued e-commerce adoption all of which serve to drive demand for logistics real estate. Montagu Evans (briefing note on Impact of COVID 19 on industrial and logistics) have also noted the rise of e-commerce, noting online sales accounted for 18% of sales in 2018 and that this is predicted to rise to 28% by 2024, combined with a move away from a ‘Just In Time’ model, an increase in urban logistics and last mile deliveries, and a move for some occupiers to bring manufacturing back onshore, for business resilience and sustainability goals. They conclude that the demand for industrial and logistics space is increasing and is set to continue to increase at a quicker pace.

2.9. The evidence submitted within our earlier representations, and the updated Employment Demand/Supply letter by Knight Frank, Appendix 1, demonstrate the strong market demand and take up of employment land in Yorkshire. Significantly it highlights the limited supply of land in Doncaster, noting that there is only 6 years of supply of existing buildings and land to accommodate units of 100,000 sq ft plus and there is only a years worth of built A grade accommodation available. Harworth therefore conclude, on the basis of their review of market demand, that a Local Plan target of 481 ha has the potential to constrain economic growth in Doncaster and the City Region. Harworth are further concerned that the Councils evidence in SDEB 44 shows that there is a strong possibility that jobs growth (in the jobs growth target) does not reflect the considerable potential demand for strategic warehousing (para 2.52). The council’s evidence in SDEB 10 concludes that an average of 31.5 ha appears to be more consistent with levels of take up in the Plan Period to date. This is more consistent with market views on demand for logistics and manufacturing space within the region, reflecting Doncaster being ideally placed to meet this demand due to its connections to the Strategic Road Network, rail network and airport.

2.10. Harworth have also responded to Matter 16, specifically to Q16.1a, concluding that there will be a higher need for employment land to account for the potential for greater losses of existing employment land as a result of changes to the recent Use Class Order and Permitted Development Rights. Class E will incorporate B1a, b and c in the same class as shops, cafes, health, and certain indoor recreation uses. Changes in Permitted Development rights allow for vacant commercial buildings (up to 1000m2) to be demolished to make way for new housing and these are likely to lead to a greater loss of employment land to other uses. Projecting forward previous trends for employment land losses within Doncaster are therefore likely to be unreliable. Together it is inevitable that these changes will have an implication on the availability of existing employment land and buildings which will need to be
replaced by new employment land. This will affect the total amount of new employment land required, when factoring losses within the calculation of employment land requirements.

2.11. **Therefore Harworth are concerned that the Plan as submitted could constrain economic growth and will not ensure that there is a sufficient supply of deliverable sites in locations attractive to the market, nor is it sufficiently flexible. It is not ‘consistent with national policy’ [NPPF, paragraph 80 and 81], not ‘positively prepared’ and hence should be considered unsound. Harworth consider that the Plan should establish a minimum annual requirement for employment land of 31.5 ha and allocate additional employment sites to meet this shortfall.**

2.12. Further as detailed under Matter 1 and Matter 8 Harworth do not consider that the proposed allocation of Site 001 is consistent with national policy and guidance, with particular regards to flood risk and accessibility. There will be a need to ensure that additional land is identified within Thorne that is capable of supporting the wider regeneration needs of Thorne (Matter 3). Site 160 is a sequentially preferable site to Site 001, and is accessible via a variety of sustainable travel modes, consistent with national policy, and capable of supporting the council’s wider strategy of securing investment and regeneration within Thorne.

**Q2.3. Is the Plan based on adequate and proportionate evidence about the quantitative and qualitative need for office, retail and leisure development in the Borough? To be effective, is it necessary for the Plan to be modified to state what those needs are?**

2.13. Harworth has no specific comment in relation to this issue.

**Q2.4. Does the Plan clearly establish a housing requirement figure for the Borough for the Plan period as required by national policy?**

2.14. Harworth has no specific comment in relation to this issue.
Q2.5. Is expressing the housing requirement as a range consistent with national policy or otherwise justified? If so, what should the bottom of the range be (assuming that it must be a fixed figure)?

2.15. Harworth has no specific comment in relation to this issue.

Q2.6. Is the strategic aim in policy 3 to facilitate the delivery of 18,400 new homes in the period 2015 to 2035 (920 dwellings per year) justified and positively prepared? In particular:

a) Is it appropriate to plan for a higher figure than the standard method indicates (585 homes per year)?

b) Are the economic growth assumptions upon which the strategic aim of 18,400 new homes is based aspirational but deliverable between 2015 and 2035?

c) If such economic growth were to materialise, would it be likely to affect demographic behaviour to the extent that an additional 335 homes are needed every year between 2015 and 2035 (on top of the 585 per year that the standard method indicates are needed)?

d) Do previous levels of housing delivery in the Borough indicate a need for more than 585 homes per year?

e) Should the Plan aim to deliver more than 585 homes per year in order to help meet the need for affordable homes?

2.16. Harworth has no specific comment in relation to this issue.

Proposed Change

2.17. To overcome the objection and address soundness matters, the following changes are proposed:

- Review the Employment Land Requirement to reflect evidence on jobs growth, and latest evidence on take up and market demand for manufacturing and logistics space.
- Allocate additional employment sites to meet the shortfall.
Appendix 1: Employment Land Supply and Demand update, Knight Frank (August 2020)
Dear Joanne

Gateway 180 at Bradholme Farm

Introduction

Following the Employment Land Need and Demand Assessment Report which was prepared in September 2019 in relation to the promotion of Gateway 180 at Bradholme Farm, Thorne, Junction 1 M180 as an employment site, Knight Frank LLP have been asked by Harworth Group to provide a market update. The purpose of the update is to consider the impact of Covid-19 on the market both at a National and Regional level.

The report is focused on the strategic employment sites capable of accommodation units of 100,000 sq ft plus which we feel are comparable to Gateway 180.

The report will consider the following:

- National Market Overview
- Regional and Local Market Overview
- Update on current Supply
- Conclusion

Location

Gateway 180 at Bradholme Farm extends to approximately 256 acres (104ha) and is being promoted for B1 (c), B2 and B8 uses. From the masterplan provided, we understand that the site can accommodate up to 2.6m sq ft in a variety of building sizes.

Gateway 180 located at Junction 1 of the M180 close to the M18 intersection, easily accessible to the national motorway network forming part of the M18 corridor.

National Market Overview

The outlook for industrial and logistics accommodation across the UK remains positive. Whilst by no means immune from the impact of Covid-19, arguably it is one of the few sectors that is benefiting from our changes in habits following the lockdown.
The end of 2019 was dominated by Brexit and the uncertainty across the market. The general election result in December 2019, brought a degree of certainty to the Brexit issues, albeit with arguably the most difficult negotiations still to come and brought a close to a stop/start year for all sectors of the market.

The impact on the logistics & industrial market was immediate with a flurry of large investment and some occupational deals being completed ahead of year end. No one was prepared for what was to come during the first quarter of 2020 when Covid-19 hit resulting in unprecedented personal and professional challenges for everyone with the focus on staying safe.

As we all adapted to our new normal of staying home and the resultant closure of the high street, we all turned to online retail to source basic needs and to fulfil shopping habits.

We have seen the transfer of billions of pounds of retail sales to online and away from the lockdown hit physical retail sector with many retailers rationalising their high street offering and unfortunately some occupiers have not survived. This has included the likes of Laura Ashley, Warehouse and Oasis where interestingly their on-line presence has been acquired by other retailers.

Turning to the impact on the Industrial and logistics sector, the large box logistics market has remained active since lockdown, with an initial flurry of short term Covid-19 related requirements from the supermarkets and food suppliers as well as emergency requirements to support the NHS. We also saw an increase in short term requirements emanating from retailers looking to house excess stock for anything from 4 to 12 months.

Following the easing of lockdown, Knight Frank have seen the corporate sector looking to the future and the eventual exit from lockdown, assessing their strategic needs whilst prioritising projects. Since lockdown, we have also seen businesses adopting to a new “normal” in terms of their operations and routes to market.

Knight Frank registered close to 7 million ft² of short term requirements following lockdown, and whilst many have been absorbed into existing Third Party Logistics (3PL) networks, there is very little “grey space” left unaccounted for and we are starting to see a significant increase in demand from 3PL enquiries as a result. It is reported that the 3PL sector is running at over 90% capacity which is beyond Christmas peak.

In addition, Amazon have continued to take more space throughout the lockdown, with deals on over 4 million sq ft of existing and bespoke design and build space, accounting for about 25% of the year’s long term take up to date.

H1 2020 take up totals c 17 million sq ft of completed deals, with 12 million sq ft concluded post lockdown.

![UK Take-up over 50,000 sq ft](image-url)
Whilst the logistics and industrial markets have not been immune to the impact of Covid-19, the sector has bounced back, and enquiry levels are back to the levels prior to lockdown and in some cases ahead.

The lockdown has expedited the move to online/home delivery, especially within the grocery market. It is anticipated, that if a fraction of new online shoppers remains using the services post lockdown – anticipated growth from 5% to 8% - then this will require a significant amount of additional warehouse space. There continues to be a shortage of good quality well located sites for warehousing/industrial development, whilst recent letting activity has accounted for a significant element of standing stock.

As ever in such tumultuous times, there are clear winners and losers – with increased sales for online and food delivery together with the 3PL’s servicing these sectors. Whilst the lockdown as adversely impacted automotive, fashion and high street retail, the full impact of which is still to be felt in terms of business failures and rationalisations.

In addition, Knight Frank are starting to see the first signs of the impact of social distancing on large scale fulfilment operations, where order processing capacities have been reduced. Operators are of the view that social distancing measures are likely to remain in force for the medium term – years not months – or until a vaccine is developed. As a result, we are starting to see the first enquiries for additional space to address these issues.

Longer term, we expect the impact of social distancing to result in changes to warehouse design and a possible move to campus type operations (adjacent units, capable of being run by a single management team) rather than single large box operations, as well as a continued move to increased automation and robotics.

Automation is dependent upon creating economies of scale and as a consequence is only really viable on a large scale, with most automated facilities being in excess of 400,000 sq ft and is also capital intensive, which means it may remain beyond the reach of many retailers. Increased automation does not necessarily significantly impact headcount, but rather increases productivity. Consequently, it will not be the sole answer to lessening the impact of social distancing on existing operations.

The UK is the most developed online retail market in Europe, with the highest penetration rates. Occupier demand for UK logistics property is being driven by a confluence of macro trends, which include the growth of e-commerce, globalisation of trade, technological advancements and the drive for supply-chain optimisation.
The need for large scale fulfilment and ‘near-urban’ warehousing has been the primary driver of take-up in recent years. The Covid-19 crisis has meant a forced acceleration of the shift to everything online.

Online sales as a proportion of all retailing was 41% in July, this was a deceleration on the 3-month average achieved during lockdown which was at approximately 50%. The slowdown is influenced by the high street reopening although less than half of all stores have re-opened and consumer confidence relating to visiting shops is down. We anticipate that this will rebalance over time but will not go back to the previous levels. The growth is remarkable in such a short space of time. Projections before Covid-19 indicated reaching the current level by 2025 and will undoubtedly lead to a significant increase in demand, in the short term, in an already tight and under supplied market.

It is estimated that if online sales remain at close to these Covid levels, then up to 65 million sq ft of additional storage and distribution space will be required to support this increased consumer demand.

Grocery sales continue to perform well but have dipped slightly following the reopening of hospitality outlets as we would expect. Supermarket and online grocery delivery businesses do not carry any significant spare capacity and the short-term measures they have taken to scale up through store picking are not believed to be financially sustainable in the longer term. So, if only a small percentage of their new customers remained shopping online, then they will need to significantly increase order processing capacity, again resulting in the need for additional space.

A further consequence of the combined impact of Covid-19 and Brexit is the focus on ‘Reshoring’, with the UK government setting up Project Defend, which is looking to draw up a strategy to reduce our reliance on China for key imported goods. Over reliance on China for critical goods has been highlighted by the pandemic and comes at a time when the government are actively looking to diversify the country’s trading relationships. Our reliance on China – UK’s 2nd largest import market- is a concern for many businesses, who have found it difficult to turn on/off their supply chains due to the longer delivery time scales associated with goods manufactured in the Far East.

Linked to post Brexit Free Trade Agreements and concerns over disruptions of existing supply chains, by border/customs checks, occupiers are looking at the need to hold increased domestic inventory and Covid has added an unforeseen urgency to this planning.

Regional and Local Market Overview

The Yorkshire region is considered an established logistics location given its proximity to the national road network and immediate access to the M62, M18, M1 and A1(M) motorway corridors allowing occupiers to reach on average 75% of the UK population within a 4.5 hour drive.

As at August 2020 West Yorkshire and the Humber had a supply of approximately 1.9 million sq ft of units 50,000 sq ft across the region with 940,000 sq ft sq ft under construction.

South Yorkshire accounted for approximately 1.8m sq ft supply of units of all qualities 50,000 sq ft plus with a further 880,120 sq ft under construction, representing a vacancy rate of 2.4%.

Yorkshire wide (including the Humber) take-up of units 50,000 sq ft totalled 3.3m sq ft in 2019. In 2020 H1 take-up is already at 3.65m sq ft, influenced by Amazons acquisition at Gateway 45 and there has been a strong start to H2 take-up.

The table below details specific transactions over 100,000 sq ft in the Yorkshire area during 2019 and 2020 for modern warehouse facilities. We have not included any take up of tertiary properties.
In addition to the above it is reported that contracts have been exchanged with a major national retailer on a 79-acre plot at Unity that will accommodate an 800,000 sq. ft. unit. This would be an addition to the above, but not yet recorded as a completed transaction.

Supply levels of existing buildings across the region continue to tighten. We are seeing a developer response to the reduction in supply with further speculative development being considered with the focus on sites which are readily available for development along key motorway corridors across the region.

Looking at demand, we are continuing to see good levels of enquiries and following easing of lockdown we have seen levels improve and are now actually ahead of 2019. Figures Below shows enquiries received for South Yorkshire by the Knight Frank Sheffield office.

<table>
<thead>
<tr>
<th>LOCATION</th>
<th>SIZE (sq ft)</th>
<th>DEVELOPER / OWNER</th>
<th>OCCUPIER</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doncaster South (Harworth)</td>
<td>150,000</td>
<td>Tritax Symmetry</td>
<td>Butternut Box</td>
</tr>
<tr>
<td>Markham Vale</td>
<td>102,000</td>
<td>Devonshire Group</td>
<td>X-Bite</td>
</tr>
<tr>
<td>Sheffield 336</td>
<td>336,000</td>
<td>Exeter Property Group</td>
<td>Royal Mail</td>
</tr>
<tr>
<td>Gilcar 31, Wakefield Europort</td>
<td>111,600</td>
<td>Private landlord</td>
<td>Hermes</td>
</tr>
<tr>
<td>Brookfields 200, Rotherham</td>
<td>197,245</td>
<td>Capital Land</td>
<td>Pricecheck Toiletries</td>
</tr>
<tr>
<td>Gateway 45, Leeds</td>
<td>2,000,000</td>
<td>PLP</td>
<td>Amazon</td>
</tr>
<tr>
<td>Premier Way North, Normanton</td>
<td>546,790</td>
<td>Exeter Property Group</td>
<td>The Range</td>
</tr>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bessemer Park, Sheffield</td>
<td>134,000</td>
<td>PLP</td>
<td>TM Power</td>
</tr>
<tr>
<td>Goole 36, Goole</td>
<td>232,000</td>
<td>DB Symmetry</td>
<td>Croda Chemicals</td>
</tr>
<tr>
<td>Super G, Glasshoughton</td>
<td>259,236</td>
<td>Barwood Capital / Tungten Properties</td>
<td>Puma</td>
</tr>
<tr>
<td>iPort, Doncaster</td>
<td>731,000</td>
<td>Verdion / HOOPP</td>
<td>Amazon</td>
</tr>
<tr>
<td>TriLink 140, Wakefield Europort</td>
<td>142,388</td>
<td>Keir / Yorvale</td>
<td>CMS Distribution</td>
</tr>
<tr>
<td>West Moor Park, Doncaster</td>
<td>120,000</td>
<td>Clearbell</td>
<td>MH Star</td>
</tr>
<tr>
<td>Wakefield 31, Castleford</td>
<td>176,000</td>
<td>Broadland Properties</td>
<td>Torque Logistics</td>
</tr>
<tr>
<td>Brunel Road, Wakefield 41 Ind Est</td>
<td>134,000</td>
<td>Mayfair Capital</td>
<td>Card Factory</td>
</tr>
</tbody>
</table>

Knights Frank Sheffield L&I Enquiries (2018- YTD 2020)

Source: Knight Frank
In terms of active requirements at the larger end of the market, we highlight the following:

<table>
<thead>
<tr>
<th>ENQUIRY</th>
<th>SIZE REQUIREMENT</th>
<th>LOCATION</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent Led Requirement</td>
<td>12 – 20 acres</td>
<td>Doncaster</td>
<td>Specifically looking around the Doncaster area for Land, ideally with planning consent. Timing Flexible.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>100,000</td>
<td>Doncaster – Harrogate</td>
<td>Requirement for cold store facility. Looking at build to suit opportunities.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>300 – 350,000 sq ft</td>
<td>Yorkshire</td>
<td>Project Flag – Yorkshire focussed requirement on behalf of pharmaceutical company. Existing or D&amp;B considered with delivery 2022.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>400 – 600,000 sq ft</td>
<td>Watford to York</td>
<td>Requirement on behalf of ecommerce client – preferably looking for existing facility but will consider design and build.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>300 – 400,000 sq ft</td>
<td>Yorkshire</td>
<td>Requirement on behalf of client for B8 use. Preference for existing accommodation where possible.</td>
</tr>
<tr>
<td>Leisure Company</td>
<td>200 – 300,000 sq ft</td>
<td>Doncaster</td>
<td>Longstanding Doncaster based occupier. Considering relocation and expansion.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>45 acres</td>
<td>Doncaster / Goole</td>
<td>Footloose enquiry – looking for B2 manufacturer. Ideally looking for accommodation and able to offer up to 32 MW power capacity. Need good connectivity to East Coast Ports from Motorway Network.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>300 – 500,000 sq ft</td>
<td>Yorkshire</td>
<td>Online retailer – preference for existing buildings but will also consider design and build.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>250 – 350,000 sq ft</td>
<td>South Yorkshire</td>
<td>On behalf of occupier related to the food and beverage industry. Looking for distribution facility.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>7 – 12 acres / 150,000 sq ft</td>
<td>South Yorkshire – Midlands</td>
<td>Project El Sala – requirement for freehold land or build to suit opportunities. Require 12m eaves. On behalf of plastic manufacturing company.</td>
</tr>
<tr>
<td>Undisclosed Clothing Manufacturer</td>
<td>150 – 300,000 sq ft</td>
<td>South Yorkshire</td>
<td>Currently based in South Yorkshire and looking at expansion opportunities.</td>
</tr>
</tbody>
</table>
As you can see there are a good number of active requirements. Many of the larger requirements are footloose in terms of location and may consider a wide geographical area which could include the whole of the region and wider areas in some cases.

Key drivers for attracting such occupational requirements include sites with deliverability to include an employment allocation and ideally outline planning consent within a location that is easily accessible to the motorway network and has good access to labour. Developer track record is also important.

We consider Gateway 180 to be a well-located site situated along the M18 corridor given its immediate access from the M180. Should the site be allocated, and outline planning consent secured, this coupled with Harworth’s track record and reputation, would present as a good opportunity to attract occupational interest.

**Update on current Supply**

Reviewing the sites considered in the previous report which are available allocated sites in the borough with existing B1/B2/B8 planning consent and able to accommodate 100,000 sq ft + we provide the following updates:

<table>
<thead>
<tr>
<th>Agent Led Requirement</th>
<th>300 – 400,000 sq ft</th>
<th>Yorkshire</th>
<th>On behalf of food retailer, looking for low-density development for distribution of food products.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confidential Garden Product Manufacturer</td>
<td>200,000 sq ft +</td>
<td>Doncaster – Goole</td>
<td>Possible consolidation of several sites. Would prefer Doncaster to Goole as a location.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>25 – 35 acres</td>
<td>Yorkshire</td>
<td>On behalf of national retailer for consolidation of online fulfilment. Have five requirements nationwide and currently looking at options.</td>
</tr>
<tr>
<td>Manufacturing Company</td>
<td>170 – 300,000 sq ft</td>
<td>Nottinghamshire / Bassetlaw / Doncaster</td>
<td>Manufacturing company looking for additional space. Early stages linked with contract.</td>
</tr>
<tr>
<td>Civils Company</td>
<td>10 acres</td>
<td>South Yorkshire</td>
<td>Requirement around the South Yorkshire area – footloose in terms of location.</td>
</tr>
<tr>
<td>Aggregate Company</td>
<td>20 acres</td>
<td>Doncaster / South Yorkshire</td>
<td>Looking around the Doncaster / South Yorkshire area – need low site coverage.</td>
</tr>
<tr>
<td>Agent Led Requirement</td>
<td>500,000 – 1,000,000 sq ft</td>
<td>Midlands / Yorkshire</td>
<td>Early stage requirement for B2 use. Likely to progress late 2020 and consider options.</td>
</tr>
<tr>
<td>Manufacturing Occupier</td>
<td>150,000</td>
<td>Doncaster – East Coast</td>
<td>Manufacturer looking for presence in the area with a focus along the M18 as want proximity to the East Coast.</td>
</tr>
</tbody>
</table>
### IPort Doncaster, J3 M18 - (747)

**Overview**
IPort is a major and highly successful 334 acre (135 ha) intermodal logistics park developed by Verdion with funding backed by HOOPP, (Healthcare of Ontario Pension Plan). The scheme is well located off Junction 3 of the M18 motorway and has consent for over 6m sq ft of B1/B2/B8 industrial and distribution accommodation. The site benefits from direct access to the new Great Yorkshire Way which links the site to the M18 as well as to Robin Hood Doncaster Sheffield Airport, which lies approximately 4 miles away.

IPort also offers occupiers access to a dedicated 30-acre rail freight terminal on site allowing direct access to the UK rail network.

**Commentary**
Since the first phase of construction in 2016, there has been a total of approximately 2.4m sq ft let or sold with a further 731,000 sq ft committed within phase 2 representing over 50% of the total availability now transacted in only 4 years.

There are currently two speculatively developed units available extending to 195,000 sq ft and 119,060 sq ft respectively. Occupiers included Amazon, Lidl, Fellowes, Ceva, Kingsbury Press and Maritime Transport.

Over 50% of the site has been developed on over 4 years which is significantly faster than anticipated. In our view this is as a result of the sites strategic location, multi-modal offering, the developers track record and the fact that the site has been presented to the market fully serviced able to respond to occupational requirements swiftly.

**Update**
Whilst we understand that there have been good levels of interest in the site over recent months, there has been no change in availability.

**Total Site Area:** 334 acres (135ha)
**Maximum Building:** 817,000 sq ft
**Land Remaining:** Approximately 144 acres (58ha)
**Total Sq Ft Remaining:** Approximately 2,796,960 sq ft

### Aero Centre, Doncaster Sheffield Airport, J3 M18 - (748)

**Overview**
A large-scale mixed-use business park owned by Peel and offers industrial as well as offices and leisure opportunities on a design and build basis. The Business Park extends to 164 acre (66 hectare) with planning permission for buildings up to 250,000 sq ft suitable for manufacturing and distribution use. The Park also has Enterprise Zone status to help enable the economic potential in the site.

The Business Park is already home to occupiers such as BAE Systems, Marshall Aerospace, Europcar, APB Connect and Redline Aviation.

Trebor Developments acquired 5.66 acres in 2019 and were granted detailed planning consent for a speculative warehouse scheme consisting of two units existing to 58,159 sq ft and 45,876 sq ft. The build process is well underway and practical completion is due Q3 2020.

**Commentary**
Now under the banner of PLP (Peel Logistics Properties), the business park has the USP of being situated adjacent to the airport, it is located over 4 miles from Junction 3 of the M18. Whilst the Great North Road has improved access, from a logistics perspective, it is realistic to assume that an occupier would most likely take build to suit space at IPort as it is more established business park and is closer to junction 3 of the M18 motorway.
The area has historically secured companies looking for small to medium sized commercial premises, and we feel that this is where demand will continue. Policy 7 of the Local Plan envisages that the available allocated employment land will be of aimed at manufacturing and engineering sectors and specifically at aerospace and automotive industries and aviation related office uses.

Furthermore, some of the land previously earmarked for employment use has been promoted through the call for sites for housing (ref 940) and is designated as 940 E1/E2/E3 ‘proposed Housing-led mixed-use allocation within the Local Plan Policies Map 2015-2035.

Update - There is no change in availability here.

| Total Site Area: Approximately 164 acres (66ha) |
| Maximum Building: 250,000 sq ft |
| Land Available: 35 acres (14ha) (Gross) part of which is due to be developed out by Trebor. |
| Total Sq Ft Available: 613,000 sq ft |

G Park, West Moor Park Extension, Armthorpe, J4 M18 - (1099)

Overview
GPark Doncaster is a Logistics Park owned by Gazeley (GLP) and consists of a new speculatively developed warehouse unit of 278,852 sq ft with a further 32 acres (13 ha) of fully levelled and plateaued land on Plot B which can accommodate up to a further 606,000 sq ft. The original site extended to approximately 126 acre (gross) with the first phase consisting of a single 915,848 sq ft warehouse developed for Next plc.

The site is well positioned with close links to Junction 4 of the M18 motorway as well as the main urban area of Doncaster and is the last remaining development opportunity within West Moor Park.

Commentary
West Moor Park is a well-established business park location and has attracted local, national and international occupiers over the years, namely IKEA, ASOS, ABP, Evergreen and Next Plc who took 916,000 sq ft from Gazeley in 2014.

Update - The developer completed the speculative development of 278,000 sq ft April 2019 which is being marketed to let. The remaining plot has simultaneously been plateaued and is now ready for immediate development capable of accommodating a single building of up to 606,000 sq ft. Optional layouts for Plot B are being reviewed.

| Total Site Area: Approximately 50 acres (20ha) |
| Maximum Building: 606,000 sq ft |
| Land Remaining: 32 acres (13 ha) |
| Total Sq Ft Remaining: Approximately 884,000 sq ft |

Land off Hatfield Lane (Gateway 4), Armthorpe - (818)

Overview
Gateway 4 is a well located prominent 30-acre (12ha) (gross) development site situated alongside the A630 and linking directly with Junction 4 of the M18 motorway. The site was acquired by Trebor Developments (backed with funding from Hillwood) in April 2019. Gateway 4 occupies a strategic distribution location situated within a mile of the M18 and Doncaster town centre is within 5 miles to the south west via the A630 Wheatley Hall Road.

Commentary
Detailed planning consent was obtained in November 2019 for the speculative development of a 409,000 sq. ft. unit. The unit benefits from 38 loading doors, 83 HGV spaces, 55m deep yard and 1MVA of power.
Update - The developer has commenced speculative development and the unit is now at an advanced construction stage and is due for completion in late 2020.

Total Site Area: Approximately 30.11 acres (12ha) (Gross)
Maximum Building: Speculative development of a 408,916 sq ft warehouse
Land Remaining: 0 acres
Total Sq Ft Remaining: 408,916 sq ft

Riverdale Park, Wheatley Hall Road, J37 A1 (M) - (984)

Overview
112-acre (45ha) mixed use site owned by Harworth Group and situated in a prominent and established business park location, fronting directly on to Wheatley Hall Road (A630). The mixed-use site has outline consent to deliver employment, retail, leisure and roadside uses available on a build to suit basis. Junction 4 of the M18 motorway is approximately 5 miles to the east, while the A1(M) is accessed, via the A635 to Junction 37, 4 miles to the west.

The site is situated directly opposite the established Wheatley Retail Park. In 2018, 6 acres (2.4ha) was sold to Arnold Clark for a 30,000 sq ft car supermarket. In 2019, 11.4 acres (4.6ha) of land was sold to Barratt Homes for 114 homes. Further residential land is to be released.

Commentary
As part of the wider mixed-use development totalling 112 acres (45 ha), there was approximately 25 acres (10ha) of employment land available.

7 acres (2.8ha) is fully remediated and ready for development and has secured occupier interest. The remaining 18 acres (7.3ha) requires remediation which is proposed on a phased basis, of which the sites splits into parcels of 0.97 - 5.68 acres.

Due to its urban location and proximity to housing and roadside / retail uses, we anticipate that whilst the site could accommodate up to 200,000 sq ft in a single building, the employment allocation will be focussed on small to mid-size industrial development. This is likely to be driven by demand from the local and regional market given its location approximately 5 miles from the motorway network.

Update - There has been interest in smaller plots at Riverdale Park with discussions ongoing with occupier including Arnold Clark and two drive-thru operators. Furthermore, part of the site is now zoned for an alternative use, leaving small plots available up to 5.68 acres.

We do not consider this site a large scale industrial and logistics park and is likely to be developed out as small to medium sized units or plot sales

Total Site Area: Approximately 112 acres (45ha)
Maximum Building: 100,000 sq ft
Land Remaining: 13.62

Unity Doncaster, J5 M18 - (418)

Overview
Unity Doncaster is a large-scale mixed-use regeneration project located off Junction 5 of the M18 owned by JV partners Waystone and Hargreaves Land. Work commenced on the construction of the new Hatfield Link Road in April 2019, which will release approximately 148 acres (60 ha) of employment land on a phased basis, called Unity Connect. Bespoke design and build warehouse and industrial space can be accommodated ranging from 30,000 sq ft up to 1m sq ft.

The wider Unity Project will provide 3,100 new homes, a new offline marina, school, transport hub and 80 hectares of open spaces.
Commentary
Unity Connect offers excellent access to the region's motorways via the M18 / M62 / M180 as well as the East Coast ports at Immingham, Hull and Grimsby. The site is also in close proximity to Doncaster Sheffield Airport which is 10 miles to the South.

The completion of the new Hatfield link road will open the site and we understand that the developer will start to prepare development platforms, the extent of which is to be confirmed. The park will appeal to both B8 and B2 occupiers with the opportunity for significant power to site offering a USP to the market. The Hatfield link road is on site due for completion late 2020 which will open the site.

Update - Contracts have been exchanged with a major national retailer on a 79-acre plot that will accommodate an 800,000 sq. ft. unit. The largest building that can be accommodated following the land sale is 850,000 sq. ft.

Total Site Area: Approximately 160 acres (66ha)
Maximum Building: 850,000 sq ft
Land Remaining: 81 acres (32ha)
Total Sq Ft Remaining: Approximately 1.9m sq ft (in a various areas)

Nimbus Park, Phase II, Thorne, J6 M18 - (736)

Overview
Nimbus Park is a speculative development by Sladen Estates and AIG consisting of two logistics units extending to 164,366 and 106,509 sq ft. The site is well located prominently fronting the M18 and accessed via junction 6 at Thorne. The site also benefits from excellent connectivity to the region's wider motorway network via the M62 / A1(M) and M180, as well as access to the east coast ports. Nearby occupiers include The Range and BMW and Omega.

Notably the 23-acre (9ha) mixed use Henry Boot scheme (Thorne Park) located close the site was completed and fully let / sold recently consisting of around 160,000 sq ft of small and mid-size units as well as pub / retail and restaurant offering including Marstons, McDonalds, B&M and Aldi.

Commentary
The units were completed in April 2019 and have been marketed to let / for sale. There is no further development land available at Nimbus Park following the speculative development which has recently reached completion.

Update - It is widely reported that the 106,000 sq. ft. unit is under offer to Mosaic Tiles / Verona Group which is due to complete shortly which would leave a single unit of 164,336 sq ft available.

Total Site Area: Approximately 16 acres (6.5ha)
Maximum Building: 164,366 sq ft
Land Remaining: 0 acres (0ha)
Total Sq Ft Remaining: 164,336 sq ft

DHL, High Common Lane, Bawtry

Overview
A 27 acre site located off the A631 between Bawtry and Tickhill is home to c 615,000 sq. ft of existing accommodation occupied DHL Supply Chain as a distribution facility.

It is reported that DHL plan to vacate these premises as part of their relocation to a facility at Manton Wood, Worksop and the site is due to be marketed shortly or in part.

Commentary
The facility totalling c 615,000 is split across various buildings from 95,000 sq ft upwards.
The site is located off High Common Lane, which is in essence a single track back road with the sole purpose of serving the facility. Access to the A1(M) is a little convoluted with the nearest junction being Blyth at J34 which is some 4.5 miles south through the village of Harworth.

The accommodation here is of varying quality and is considered secondary in nature and is likely to be offered in part.

Land Remaining: 0 acres (0 ha)
Total Sq Ft Remaining: Approximately 615,000 sq ft

Conclusion

Having regard to the above, in our opinion, Gateway180 remains a good opportunity for a major employment site, under the control of established developer, Harworth Group who have an enviable track record in bringing forward strategic sites.

The industrial and logistics market has continued to perform well throughout the Covid-19 pandemic and in fact some of the structural changes we have seen across markets have indeed benefited the sector.

Whilst we acknowledge that sectors including automotive and aerospace are effectively in a deep freeze and we are yet to see the true impact of the pandemic on some businesses, the continued move to online retail is not going to be fully reversed.

As a result of COVID-19 we have seen years of growth condensed into a matter of months and we are confident that this will continue. Occupiers will need to adapt their supply chains and whilst there is a demise in the High Street, which will influence warehouse requirements, online retail typically requires significantly more warehousing space.

As highlighted above, if online sales remain close to COVID-19 levels, then a further 65,000,000 sq ft of additional storage and distribution space is anticipated to be required to support the increased consumer demand.

Having reviewed recent changes in supply and take up over recent months, we have calculated current available supply (able to accommodate 100,000 sq ft plus) as follows:

<table>
<thead>
<tr>
<th>Reference</th>
<th>Scheme</th>
<th>Total Sq Ft Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>747</td>
<td>IPort, Rossington</td>
<td>2,796,960</td>
</tr>
<tr>
<td>418</td>
<td>Unity</td>
<td>1,900,000</td>
</tr>
<tr>
<td>818</td>
<td>Gateway 4</td>
<td>408,912</td>
</tr>
<tr>
<td>736</td>
<td>Nimbus Park, Thorne</td>
<td>164,336</td>
</tr>
<tr>
<td>1099</td>
<td>G Park, Doncaster</td>
<td>884,000</td>
</tr>
<tr>
<td>748</td>
<td>Aero Centre</td>
<td>250,000</td>
</tr>
<tr>
<td>984</td>
<td>Riverdale Park</td>
<td>200,000</td>
</tr>
<tr>
<td></td>
<td>High Common Lane</td>
<td>615,000</td>
</tr>
</tbody>
</table>

The above shows that based on the 2018 Colliers Employment Land Review figure, assuming the annual take up of approximately 70 acres (28 hectares) per annum or 1,200,000 sq ft, there is circa 6 year's supply of existing buildings and land allocated to accommodate units of 100,000 sq ft plus.
The schedule includes 1,775,000 sq ft of accommodation which is readily available for occupation or under advanced construction, which accounts for 1.48 years of supply. This is influenced by the availability at High Common Lane which has recently come to the market (615,000 sq ft). This is secondary / tertiary space and if this was to be disregarded as it is not Grade A, this results in there being less than 12 months’ supply of built Grade A accommodation available.

The gross developable area of both Aero Centre and Riverdale Park suggest much larger areas, but due to the size and configuration are limited to a maximum size building of just over 100,000 sq ft. Riverdale Park is more targeted towards the smaller and more medium end of the market, therefore we do not feel they compete directly with Gateway 180 and therefore the land supply is arguably less..

Only Gateway 4, which is being developed out speculatively (completion December 2020), Unity, G Park and IPort offer the opportunity to accommodate units of scale at present.

It is widely recognised that requirements linked with on-line retail often look for lower density sites to allow for additional car parking and loading which could put further pressure on land supply going forward, especially given the acceleration of online retail following the Covid-19 pandemic.

Following Covid-19 it is conceivable that annual take up could be greater going forward than that suggested in the Colliers Employment Land Review due to the acceleration in the move to online retail during the pandemic.

Retail figures have suggested that Covid-19 has accelerated the move to online, with levels during lockdown hitting those which were anticipated to be hit by 2025. Furthermore, the amount of space required to fulfil on-line retail sales is greater than that required to fulfil high street retail, typically 3 or 4 times greater predominantly due to the picking and packing and the handling of returns.

The increase in on-line retail has also had a positive influence on closely related companies such as the parcel carriers and packaging suppliers and manufacturers due to the resultant increase in the need.

Changes in market dynamics and requirements have also led to an increase in occupier land acquisitions (often to retain control) and design and build pre-lets at the larger end of the market to accommodate bespoke facilities. The latter is often only achievable once planning permission is granted, and a commitment made to service the site.

Gateway 180 is ideally located at Junction 1 of the M180 given its proximity and direct access to the M18 intersection. Whilst the site falls outside the boundary of the area which has been defined to apply the sequential test for B8 warehousing and distribution uses in the M18 corridor, given the direct access to the M18, occupiers considering the M18 corridor would not discount it on this basis. It is our opinion that it should firmly be considered part of the M18 corridor, which is an established industrial and logistics corridor within the South Yorkshire region.

Furthermore, the site is easily accessible to the M62 corridor where there has been a shortage of employment opportunities and also has direct motorway access to the East Coast ports unlike other employment sites which could result in the attracting inward investment from neighbouring North East Lincolnshire and East Riding.

Doncaster Metropolitan Borough Council are pro-active and understand the importance of B8 along with other uses for economic growth. It is widely recognised that the B8 sector provide a significant number of jobs across varying levels and skill bases.

It is important to allocate deliverable land which offers choice to the occupier market to accommodate growth from within the region and attract inward investment as take-up going forward will be directly influenced by availability and choice for the occupier.
The site presents an opportunity for a large-scale allocation immediately adjacent to the motorway network able to accommodate up to 2,600,000 sq ft, resulting in it being of national significance in terms of attracting both local and regional occupiers as well as footloose national requirements. Whilst there is land allocated in the borough for employment uses there are limited sites available that can offer a range of size units and units of such scale. It is equally apparent that there are limited sites capable of offering a single unit of 1,000,000 sq ft in the wider regional market.

Harworth Group are an established industrial and commercial developer, and should the accommodation be allocated employment and serviced and plateaued ready for development, we anticipate that the site would prove attractive to the market.

Yours sincerely

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Iain McPhail
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Note: Any indication of value provided regarding indicative rents or achievable prices is provided for discussion purposes only. It is not, and is not intended to be, a valuation. We would be pleased to undertake the additional necessary research and provide a formal valuation, if required, on the basis of a separate instruction.