tf/04492

# S R Gent Premises
# Dodworth Road
# Barnsley

## A Report on the Marketing and Suitability of the Premises for Employment Use

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S R Gent Premises, Dodworth Road, Barnsley

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## 1.0 INTRODUCTION

The purpose of this report is to examine the suitability of the former S R Gent Plc property on Dodworth Road, Barnsley for future employment use

**1.01** The report will in the first instance examine the suitability of the existing premises taking into account their layout, location and access for future employment use.

**1.02** The report will review the marketing to date on behalf of the administrative receivers, I D Green, M D Gercke and S A Pearson of PricewaterhouseCoopers and will include a detailed analysis of the offers received.

**1.03** The report will then make recommendations for continuing to market the premises to fully test the industrial/commercial market to be satisfied that they are no longer suitable for continuing viable employment use.

## 2.0 THE PREMISES

**2.01** As detailed above the premises comprise of the former S R Gent Plc factory and warehouse complex located on Dodworth Road, Barnsley. The premises are located 1 mile west of Barnsley Town Centre and ½ east of junction 37 of the M1 motorway.

**2.02** The property comprises of a large manufacturing/production facility which has now closed. The buildings were originally constructed during the 1970's as a textile factory and there have been subsequent extensions and adaptations. This has resulted in a very specialized property bespoke to the now ceased manufacturing facility.

The elevations to the building are principally of clad construction supported on portal steel frames. There are four main buildings with two storey offices fronting and integral with one of the buildings. Internally the accommodation is divided into key areas, the former use of production and storage with separate loading and ancillary sections. The ground floor eaves height is generally limited. The buildings have a sprinkler installation.

**2.03** The site area is shown on Appendix I and totals 4.37 hectares (10.8 acres). The total floor area for the premises is 18947.7 sq m (203,887 sq ft). The accommodation schedule is provided in Appendix II. A site layout plan showing the various buildings is to be found in Appendix III.

**2.04** The premises have a single point of access to Dodworth Road. There is a car parking area to the front, a narrow side access road leading to a limited service yard to the rear and a further car park to the side.

**2.05** The surrounding area is predominantly residential with a public park opposite on Dodworth Road.

**2.06** An intrusive ground investigation has been undertaken by FWS Consultants. In summary it found areas of contamination beneath the buildings and external areas that were due to activities prior to construction of the premises. It is not intended for the purposes of the report to go into detail in this respect.

## 3.0 SUITABILITY OF THE PREMISES FOR FUTURE EMPLOYMENT USE

### REUSE OF BUILDINGS

**3.01** The premises were constructed by S R Gent Group Plc in the mid – late 1970's and have been occupied by them and their subsidiary companies since that date. As previously stated they comprise a bespoke manufacturing facility with ancillary warehousing and headquarter offices.

**3.02** In establishing the suitability of the premises for future employment use it is important to understand the current requirements for businesses operating from buildings of this size. In our experience there are few if any requirements by manufacturers for facilities of this size largely due to the effect of globalization and the movement of manufacturing overseas. Manufacturers looking at new facilities generally seek a bespoke product to be designed and built to their specification. In general occupiers of buildings of this size are involved with warehousing and distribution operations. As a result they require modern portal framed buildings with eaves height of 8 – 10 m (and higher) to haunch. They usually require an extensive service yard with a large number of dock loaders/level access doors. The requirements for office content are minimal and in general operators seek to run a 24 hr operation with consequential disruption to neighbouring occupiers. In addition, access to the national motorway network is seen as essential.

**3.03** Based on the modern requirements for employment use and in our experience of dealing with similar properties, we believe the premises are to an extent functionally redundant for larger employment uses.

**3.04** As a result of the fact that the premises were developed piecemeal over a number of years in the 1970's the height of the several buildings vary having been designed and built to address the specific needs of the occupier at that time without any regard to flexibility or adaptability for alternative use. The four main elements to the premises have the following eaves height to haunch.

| Unit | Eaves height to Haunch |
|---|---|
| 1 | 3.24m |
| 2 | 8.6m |
| 3 | 7.9m |
| 4 | 4.09m |

The eaves height within Units 1 & 4 in our professional experience are some of the lowest we have seen in industrial buildings of this size. Indeed they are lower than many traditional north light roof buildings that were constructed much earlier than the subject premises.

We are of the opinion the eaves height of these buildings renders them unsuitable for use by the large majority of today's occupiers employing modern business criteria and efficiencies. As a result 62% of the industrial floor space is in our opinion unsuitable for modern use.

**3.05** Offices - the premises have extensive offices including 1649.7 sq m (17,757 sq ft) to Unit 1 as well as further office space contained within Unit 2 of 304 sq m (3,274 sq ft). This level of office space was specifically provided to function as an international headquarters for S R Gent Plc. In our opinion it is excessive for buildings of this size in today's market due to that fact that employers with computerisation and modern office practice have reduced requirements for both staff and space. In addition and in our opinion the office accommodation may not be compliant with the Disability Discrimination Act (DDA) and its layout makes sub-division difficult.

**3.06** Building/Site Layout - as stated previously the buildings were constructed and extended over a period of years. In other words the configuration of buildings on site today have evolved to meet needs at a specific moment in time and do not, in our opinion lend themselves readily to alternative use, particularly for a single occupier but also for "break-up".

**3.07** The entrance to the site is via a single point of access with the principle access road at the side of Unit 1 leading into a communal service yard to the rear. In our opinion the service yard is insufficient for buildings of this size and the loading facilities are inadequate. Indeed the relationship of loading to the rear of Unit 1 and its proximity to the loading facilities to Units 2, 3 & 4 would create circularization and operating difficulties for potential occupiers. Further, the location of the car park in relation to the service yard requires members of staff or visitors to cross the service area on either foot or by car creating a risk situation that would be avoided in a new build scheme.

**3.08** The site has extensive residential areas to the west and east boundaries. Indeed due to the topography of the site a number of residential properties look directly down on to the buildings and service areas. It is likely that any occupier would wish to operate this site on a 24 hour basis including access and egress for heavy goods vehicles. The proximity of the residential areas could result in complaints due to noise and as a consequence aggravation which would be a distraction to any business and a deterrent to potential occupiers.

**3.09** The premises have a single point of access to Dodworth Road, a busy arterial route serving a large residential catchment as well as being the principle link between Barnsley Town Centre and the M1. Whilst it may have the advantage of being close to Junction 37 of the M1 motorway, a single access point with limited commercial profile is seen as a disadvantage for an industrial complex of this size.

**3.10** We have considered the possibility of sub-division of the premises, however due to the building layout with its consequential issues of access and servicing together with the inevitable high cost of sub-division leads us to believe such a scheme would be impractical and financially unviable.

**3.11** In summary in our professional opinion the buildings have a considerable number disadvantages when compared to both modern industrial facilities and more traditional complexes that can achieve cost effective sub-division with workable vehicular circulation, parking etc.

## 4.0 REDEVELOPMENT POTENTIAL FOR EMPLOYMENT USE

**4.01** The drawbacks of the existing building's continued employment use have been mentioned elsewhere in this report.

**4.02** On the face of it, there is an opportunity to redevelop this site for continued employment use, although some of the issues relating to the existing buildings may still arise and specifically the limitations of the single access to the busy arterial route, Dodworth Road, linking the motorway with Barnsley Town Centre.

**4.03** We believe developers will have other concerns too. Specifically the sloping nature of the site and its close proximity to residential areas will impact significantly on the potential for new development.

**4.04** Housing immediately abuts the site and we consider that it would not be unreasonable to expect local householders' to prefer residential development adjacent, as opposed to a scheme for continued industrial use. New buildings built to institutional specification would have to be able to cater to modern industrial/warehouse needs. This would inevitably mean significantly increased eaves height to offer maximum flexibility for users which would have a major visual impact for bordering householders.

**4.05** The sloping nature of the site combined with modern requirements of industry for greater circulation, parking, and the usual planning requirements for landscaping will limit the scope for similar density of development to that existing. In other words a new development on the site would not generate in our opinion, equivalent space to that currently available and may impact on the financial viability of any redevelopment scheme.

**4.06** The cost of development may be unacceptably high for the reasons stated. This will impact on the financial ability of the scheme and particularly if, as we believe there are, more attractive motorway related employment/logistics locations available in the South Yorkshire motorway corridor. A further issue could be the need to discount the rental forecasts and yield for appraisal purposes if the location is to compete with the highly visible motorway locations referred to. This will further frustrate the viability of this site for redevelopment.

**4.07** On balance therefore, whilst technically the site may be capable of redevelopment for employment use, the practicalities are that it is unlikely a developer would want to redevelop purely for employment use. The amount of floor space that could be created would be considerably less than that which is currently available, impacting on financial viability. Local residents are likely to oppose such a scheme. A further issue may be the local highway network which could either result in prejudicing any redevelopment or require considerable improvement, at a cost to the development to make the opportunity attractive.

## 5.0 MARKETING

**5.01** Whilst we have dealt with the suitability of the premises in Section 3 of this report for future employment use it will be important to establish there is in effect no demand for the premises for continuing employment use. The purpose of this section of the report is to review marketing that has been undertaken to date and what further initiatives are required to ensure that the market is fully exploited.

**5.02** In November 2005 S R Gent Plc went into administration and as a result for the short period of time the site was closed. Our instructions from I D Green, M D Gercke and S A Pearson of PricewaterhouseCoopers were to act on their behalf and market the premises on a 'for sale' basis. We were instructed to market the premises as widely as possible and to seek offers on both a conditional and unconditional basis. The marketing commenced on 13 March 2006.

**5.03** The initial marketing period used a number of marketing tools and these are detailed in Appendix IIII.

In brief they included the erection of an on-site "For Sale"/marketing boards, the production of a bespoke brochure (contained within Appendix VI) as well as advertising at national, regional and local levels. Understandably there was considerable media interest within the local area which also generated interest in the availability of these premises. As a result of a significant targeted mail shot and responses to advertising etc, over 155 sets of details were sent out.

**5.04** Intensive marketing, promotion and discussions over a period of three months resulted in our identifying 12 June 2006 as deadline for expressions of interest and bids.

**5.05** We have summarized the 36 offers that were received for the premises within Appendix VII. For reasons of commercial confidentiality we are unable to detail the offers made suffice to say that they were wide and varied. The offers can be divided in two areas.

In the first instance 18 offers were received on an unconditional basis and in all cases except one, which we shall refer to later, the offers came from developers who in general sought to acquire industrial premises with a view to subsequently securing planning permission for an alternative higher value (usually residential) use with the objective of optimizing profit. In all cases, except as referred to above, all parties were intent on progressing a planning application for residential use; there was only one party that made an unconditional bid for the premises whose intention was to occupy the premises. This party was the Italian Furniture Company (Leeds) Ltd based in Halifax and specialized in the import of furniture from overseas. We are unable to detail their proposal due to commercial confidentiality, however this party made the second lowest bid from both the conditional and unconditional bidders. The bid was in fact less than 50% of our estimate of existing use value made prior to marketing. This existing use value is based on the disadvantages in respect of the premises as detailed in Section 3.0 of this report. The bid was, therefore, one we were unable to either support or recommend.

In respect of the conditional bids, these were made entirely from specialist residential developers and conditions in general related to planning permission for the re-development of the premises for residential purposes. Not all industrial premises are suitable for alternative residential redevelopment; however the interest from the residential developer market confirmed this was clearly not the case here.

**5.06** The premises still continue to be marketed by way of a site board and also advertising in the Eddisons Commercial Property News and website, and this has now exceeded a period of 6 months. Parties who continue to express an interest have their details recorded and will be contacted as part of the further marketing campaign (recommended below).

**5.07** Our on-going instruction for the initial marketing period was to offer these premises for sale. The premises were not offered on a 'to let' basis. Therefore to ensure that the marketing of these premises for future employment use is fully tested we recommend a further marketing period of 6 months from the date of this report, during which the premises are offered on a 'to let' basis, for a single occupier. We consider that the buildings will be costly and impractical for subdivision and that the market must be for a single occupier. This approach has been agreed with the Planning Department of Barnsley MBC in order to satisfy the requirements of SPG24. In order to ensure widest exposure we have detailed the various marketing strategies including 'on site' marketing board, brochure and advertising within Appendix VII of this report.

**5.08** We would emphasise the need for a proactive approach to the marketing. We therefore recommend the premises are marketed as a single entity (ie 18947 sq m (203,887 sq ft)) at a rental at £3 per sq ft equating to £610,000 per annum exclusive. The premises should be available on a full repairing and insuring lease for a term of 5 years or more. We consider these terms reflect market conditions and aspirations at this time for premises of this type and scale.

**5.09** Any enquiries received during the course of the marketing would be pursued in the normal fashion with interested parties encouraged to inspect the premises with a view to discussing terms for their occupation. All expressions of interest to be reported to the client through regular marketing meetings.

**5.10** At the end of the 6 months marketing exercise we would prepare a report detailing the marketing strategy, as implemented, with an analysis of enquiries received as a result of the exercise.

## 6.0 SUMMARY

### 6.01 Conclusion

The subject premises have already been extensively marketed and have attracted a considerable amount of interest from, almost without exception, parties wishing to redevelop the premises for residential purposes.

Finally this report details the marketing that has been undertaken to date and has made extensive recommendations for further marketing in order that we can be fully satisfied there are no requirements for the property.

We have tried to analyse the issues that make, in our opinion, the premises unsuitable for continued viable and functional employment use and we believe in general the market shares this view as has been demonstrated by the response to the marketing to date on a 'for sale' basis.

However, to satisfy the requirements of the planning policy framework regarding the re-use of employment for alternative uses, we recommend a further period of robust marketing on a 'to let' basis to identify potential employment users. This approach has been agreed with the planning department of Barnsley MDC.

# Appendix I

S R Gent Plc Dodworth Road Barnsley South Yorkshire.




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# Appendix II

# Accommodation Schedule

**Main Office/Production Facility – Unit 1**

| | | Sq M | Sq Ft |
|---|---|---|---|
| Offices – | Ground Floor | 588.9 | (6,337) |
| | First Floor | 588.9 | (6,337) |
| | Mezzanine | 471.9 | (5,090) |
| Warehouse | | 5295 | (56,973) |
| **Sub-total** | | **6945.7** | **(74,737)** |

**Warehouse – Unit 2**

| | | | |
|---|---|---|---|
| Warehouse | | 5367 | (57,748) |

**Warehouse – Unit 3**

| | | | |
|---|---|---|---|
| Warehouse | | 1801 | (19,385) |

**Indsutrial Unit - Unit 4**

| | | | |
|---|---|---|---|
| Warehouse | | 4834 | (52,017) |
| **TOTAL** | | **18947.7** | **(203,887)** |

The areas are gross internal in accordance with the RICS Code of Measuring Practice (5th Edition)

## Site Area

The site area as shown on the enclosed site plan in Section 3 is 4.37 hectares (10.8 acres).

# Appendix III

S R Gent Plc Dodworth Road Barnsley South Yorkshire.




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# Appendix IV

# Marketing Schedule

## Initial Marketing Period

- Advertising

| | |
|---|---|
| Yorkshire Post | 16th and 30th March 2006 |
| Sheffield Star | 23rd March 2006 |
| Estates Gazette | 25th March 2006 |
| Eddisons Commercial Property News | Spring, Summer and Autumn editions 2006 |

- Mailing of details to list of property investors/developers and all enquiries
- Marketing board on site
- Eddisons website

# Appendix V

# FACTORY / WAREHOUSE COMPLEX

## REDEVELOPMENT OPPORTUNITY

(SUBJECT TO PLANNING)

Dodworth Road, Barnsley, South Yorkshire S70 6JE

**18,947 sq m** (203,887 sq ft) / 4.37 Hectares (10.8 Acres)




# FOR SALE

On the instruction of I D Green, M D Gercke and S A Pearson of PricewaterhouseCoopers as Joint Administrative Receivers of S R Gent Plc

# Appendix VI

## Schedule of offers

### Conditional Offers

| REF | BIDDER |
|---|---|
| 1 | Gleeson Homes Limited |
| 2 | Jones Homes |
| 3 | Tarmar Group Limited |
| 4 | Capricorn Homes |
| 5 | County and Metropolitan homes |
| 6 | Ben Bailey Homes |
| 7 | George Wimpey |
| 8 | CALA Homes |
| 9 | Miller Homes |
| 10 | Ackroyd & Abbott |
| 11 | McInnrney Homes |
| 12 | Barratt |
| 13 | Persimimon |
| 14 | Taylor Woodrow |
| 15 | Arncliffe Homes Limited |
| 16 | D Noble Limited |
| 17 | David Wilson Homes |
| 18 | MJ Barratt Group Ltd (Kingston acting on their behalf) |

### Unconditional Offers

| REF | BIDDER |
|---|---|
| 1 | Landbank Capital |
| 2 | Younger Homes (Northern) Ltd |
| 3 | Bill Cooper Group (represented by Micheal Steel) |
| 4 | The Brook Group (represented by King Sturge) |
| 5 | Sladen Estates |

| | |
|---|---|
| 6 | Commercial Esates Group (represented by Vernon & Co.) |
| 7 | Countrywide Homes |
| 8 | St Mowdens Ventures Limited |
| 9 | Landtask (represented by Crossland Otter Hunt) |
| 10 | Miller Developments |
| 11 | SKA Textiles Limited |
| 12 | Woodford Land |
| 13 | Valedown Limited |
| 14 | Bluefield Land |
| 15 | Nigel Smith |
| 16 | Strategic Sites |
| 17 | Matli Asset |
| 18 | Italian Furniture |
| 19 | Ominium Developments |

# Appendix VII

# Future Marketing Strategy

- Marketing board - replaced with a 'to let' board
- New marketing brochure
- Distribution of new brochures to all existing enquiries and local/regional commercial agents
- Advertising
    - Eddisons Commercial Property News
    - Advertising in Yorkshire Post Commercial Property Supplement - adverts November and December 2006
    - Advertising in Sheffield Star in November 2006
- Websites - www.eddisons.com
    - www.egpropertylink.co.uk

Marketing reviewed in December 2006