

GC/DW

15th July 2022

Eastleigh Borough Council
Eastleigh House
Upper Market Street
Eastleigh
SO50 9YN

61 Cromwell Road
Southampton
Hampshire SO15 2JE
023 8022 2292
www.primmeroldsbas.co.uk

Dear Sir/Madam,

Commercial Development – Moorlands Farm, Hedge End

I write in connection with the planning application for the above site in order to make comments and observations to provide a degree of insight into the market for which the end product would be entering into.

As you may be aware, Primmer Olds B.A.S are an active firm of Chartered Surveyors and commercial property agents having been established for nearly 35 years. We have the knowledge, experience and expertise within the industrial / warehouse sector demonstrated by the vast number of transactions we have concluded on behalf of Landlords and Tenants including those within new developments. Furthermore, we have extensive experience in other services such as Landlord & Tenant, Valuation and Building Consultancy, so are able to take a holistic view of the market.

The industrial / warehousing sector has been the most resilient since the financial crisis of 2008. Since circa 2015 we have seen a very positive take-up trend with further acceleration more recently as a consequence of evolving consumer habits linked to Coronavirus.

The M27 / M3 corridor is seen to be the prime location for these uses and is a key influencer on the economic performance of the region. Its excellent connectivity, which provides access across the south coast and to wider motorway networks across the country, translates to very strong rental levels achieved in comparison to surrounding areas.

The subject site is therefore ideally located to crystallise on the continued pent-up demand for light industrial and warehousing units in the region and to directly contribute towards the jobs provision within the Borough.

Meeting occupier requirements within design is of course a fundamental objective in order to deliver a successful scheme. From experience, the absorption rate increases and marketing campaign duration shortens significantly when schemes are designed in a way that provides flexibility (terraces) to offer a range of sizes to suit occupier needs. This can also produce asset management opportunities in the future whereby occupiers grow within an estate by taking on additional space rather than relocating to other locations.

One of the biggest constraints for the region, which may well extend nationally, is the severe lack of availability and supply of stock. As set out within the Co-Star report, the current overall vacancy rate of 3% is significantly below the historical average of 5.5% and well below the peak of 8% reported in 2012 (Page 2), a strong indicator that demand is outstripping supply.

Whilst there has been an increase in development for larger distribution centres, notably South Central Industrial Estate, Southampton, Proxima Park, Waterlooville, Velocity, Havant, Dunsbury Park, Havant & Logistic City, Whiteley, these have all been directed to larger units and national occupiers. Schemes incorporating smaller units has been very low.

It has been anecdotally reported by many business owners that growth prospects are being restricted by the inability to find and secure more appropriate properties. Instead, it seems that there are many occupiers who are located within older stock that is not fit for modern day purpose creating inefficiency, that is stifling growth and stagnating industries.

Older stock is typically sub-standard in terms of eaves heights, on occasions of trussed frame constructions, has low levels of natural light, inadequate parking provision, low or no serviced areas and poor in terms of energy efficiency which in turn increases occupational costs and contributes to the issue of CO2 emissions.

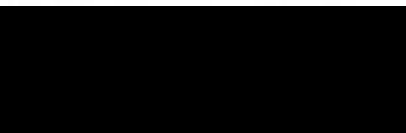
Developments of small units that have been delivered are in far inferior locations with occupier having to commit in the knowledge they are compromising. This in part is the case with those committed to units on Glenmore Business Centre, Lime Kiln Lane, Holbury, Southampton.

Moorlands Farm is located on the edge of Hedge End's commercial area and is very well positioned for local firms. It provides an opportunity to offer the type of space that is required and for it to be future-proofed to meet requirements going forward in terms of flexible buildings, access provisions and high environmental standards. The growing awareness of Environmental, Social and Governance (ESG) from business owners, staff and investors is a key indicator that sustainability is high on the agenda and is very likely to be amplified as time goes on. The subject development provides assets that are designed for the future and that align with wider responsibilities.

As an active firm of commercial agents and experts in the industrial / warehouse sector, we have a comprehensive database of applicant requirements. There is clear appetite from occupiers for units in isolation or units with open storage yard within the Hedge End area. So much so that even at full occupancy, based on current market conditions, demand will not be saturated.

Primmer Olds B.A.S are extremely supportive of this scheme and feel it is necessary that the supply constraint for units of this size is alleviated with the creation of this development for the benefit of the local economy and community.

Yours sincerely ,



George Cook MSc Prop. Dev.
Associate Director – Head of Agency (Hampshire)
PRIMMER OLDS B.A.S
Email: gcook@primmeroldsbas.co.uk