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EMPLOYMENT LAND REPORT

In support of development at Kingmoor, Land east of Bryn Lane, Wrexham
Industrial Estate, LL13 9UT

APRIL 2023

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CONTENTS

1	Introduction	3
2	Reasons for the Proposal	4
3	Overview of Employment Land, Premises and Trends	6
4	Land Requirements and Demand	9
5	Local Market Considerations	11
6	Key Drivers and Current Floorspace / Land Needs	13
7	Conclusions	16



1 INTRODUCTION

1.1 Plan Red, with the support of FI Real Estate Management Ltd (“FIREM”) and its appointed commercial agents, it has prepared this Employment Land Report on behalf of FIREM in support of its planning application for employment development at the Kingmoor site (“site”) on Wrexham Industrial estate.

1.2 A hybrid planning is being made for the following proposals:

Hybrid planning application for (a) outline permission for erection of up to 3 warehouse & distribution units (Use Class B8), including ancillary office accommodation, comprising up to 93,019 sqm net floorspace, service yards, car parking, HGV parking, internal circulation, landscaping and ancillary works; and (b) detailed permission for demolition, means of access, earthworks, drainage, landscaping, ecology zone and relative ecological mitigation measures, and ancillary works.

1.3 The application site is described as Land East of Bryn Lane, Wrexham Industrial Estate, Wrexham LL13 9UT. Further details can be found in the Design and Access and Planning Statements and accompanying drawings.

1.4 The western area of the site was formerly part of the Owens Corning Fibreglass Site. Adopted UDP Policy E3 identifies the site for employment development as part of the Wrexham Industrial Estate (“WIE”). Soon to be replaced by the LDP, the site is no longer allocated but incorporated into the defined WIE.

1.5 The scope of the statement is as follows:

- Section 2 sets out the reasons for current proposals and relevant employment land considerations.
- Section 3 provides an overview of employment land, premises and trends.
- Section 4 sets out land requirements and demand.
- Section 5 sets out local market considerations.
- Section 6 key drivers and current floorspace/land needs.
- Section 7 sets out conclusions on the matters covered by the report.



2 REASONS FOR THE PROPOSAL

- 2.1 A key objective of the (soon to be former) adopted development plan for the site, Wrexham UDP, is to support a vibrant, diverse and competitive local economy and one that provides a range of job opportunities to enable new and existing businesses to grow and develop in Wrexham¹.
- 2.2 This is also stressed in the emerging LDP and through its related evidence base. Indeed, the council's Economic Prosperity Strategy (2012-2017) emphasises and recognises the need for the council and related partners, which we would say includes the likes of FIREM, to intervene to guide the direction and development of the local economy. The Strategy also confirms the council's commitment to securing an adequate supply, and in the correct locations, of the right land and buildings to attract high quality employment uses and opportunities and in the most sustainable and accessible locations. The Strategy does acknowledge that it will not just be the Council that will provide the right land and buildings etc. hence the relevance of this to organisations like FIREM that specialise in providing high quality employment units / floorspace for leasing.
- 2.3 Accordingly, developments like that proposed for the site by FIREM are needed for many reasons, including need to accommodate the jobs growth estimate; need for flexibility in provision of employment floorspace; need for competition to drive quality and choice; and need for a range of available sites and premises suitable for different employment uses and businesses in varying locations throughout the Borough. Ideally, developments of this ilk should be located in sustainable locations like WIE.
- 2.4 A point acknowledged in the Strategy and experienced by FIREM is that there is a recognised and continued strong demand for land and premises in the area including at WIE – approximately 80% of the employment land take up in the Borough since 2006 has been on land within WIE. Existing and emerging planning policy in the UDP and LDP respectively, including LDP Policy EM1, support the protection and making best use of land already allocated for and in use for employment purposes.
- 2.5 As traditional employment uses in the past generated lower land values than many other uses, for e.g., housing and retail, there was pressure for established and some allocated

¹ LDP is proposed for adoption in April 2023



employment land to be used for other uses. This had the effect of reducing supply in some locations. This has not been a major issue for WIE although it has experienced the introduction of some non-employment uses, for example, Wrexham Prison. But its profile as the primary location for employment uses and developments in the Borough and wider North Wales Region has been improved in recent years through the introduction of new road infrastructure which has greatly improved access to the estate off the primary road network which links with the motorway network.

- 2.6 A natural consequence of this is that WIE remains the focus for investment in new employment units/floorspace to meet demand, particularly demand for big box/large units for logistics use, both to serve national and regional logistics operators. Demand for this type of unit has grown greatly in recent years, particularly in areas like North Wales where supply was historically poor, in part through the increasing trend towards internet shopping, which in recent years was exacerbated by the CV19 Pandemic. Accordingly, demand for this type of unit in recent years has far outstripped supply.
- 2.7 FIREM and its team of in house and external agents is conscious of this point, and it has and continues to receive enquiries and interest from logistics operators interested in occupying big box/logistic biased employment units on WIE. This is the key driver for FIREM wanting to develop major employment units at the site.



3 OVERVIEW OF EMPLOYMENT LAND, PREMISES AND TRENDS

- 3.1 Our consideration of the Council's Topic Paper 2 - Economy and Employment, February 2016, to the Wrexham Local Development Plan 2013 - 2028 and work by FIREM's in-house commercial team and FIREM's commercial advisors confirms the following points:

Local Contexts

- 3.2 Wrexham County Borough's economy has been transformed in the past twenty years from one dominated by heavy and traditional industry into a major high tech manufacturing technology and services hub.
- 3.3 Wrexham's location, just 45 minutes' drive from major airports in Manchester and Liverpool and 90 minutes from Birmingham makes it well connected to most of the UK, through road and rail links, including train services direct to and from London.
- 3.4 The Bidston railway corridor provides a sustainable link between Wrexham and Deeside and also provides connections with the Wirral and the wider Liverpool city. Wrexham General also provides a direct train link to Cardiff and Chester, with the Chester Station linking to Manchester and London.
- 3.5 Wrexham County Borough is part of the Mersey Dee Alliance ("MDA"), a partnership which supports strategic economic activity within the North East Wales, West Cheshire and Wirral areas. Wrexham is therefore well placed to tap into economic opportunities in both Wales and North West England.

Economic Activity

- 3.6 Like most urban centres Wrexham has suffered from UK wide recessions and changing shopping habits resulting from internet and 'click and collect' shopping options. Footfall in the town centre has dropped by 28.3% since 2010 compared to the national average of 20%. And whilst it remains a concern, compared to UK average there is a lower proportion of empty shops on Wrexham's "High Street."
- 3.7 The County Borough is characterised by fairly elevated levels of economic activity, 74% compared to 71.4% across North Wales and 68.9% for the whole of Wales. Unemployment as a percentage of the area's economically active population is 6.5% compared to 6.9% for North Wales and 7.9% for the whole of Wales. In part this is due to



the existence of, and the range of employment opportunities offered at, Wrexham Industrial Estate (“WIE”).

- 3.8 It is FIREM’s experience that demand for good quality, reasonably priced, well profiled and modern employment units for industrial and commercial operations falling into Use Classes B1, B2 and B8, available on traditional and flexible lease arrangements at WIE, remains very strong (2021/22) and, if anything, is likely to grow. This is especially the case with regard to larger/bigger units, including in the big box category for logistics operations (Class B8 use).

Types of Jobs

- 3.9 The highest proportion of jobs within Wrexham County are within Public Administration, Education and Health sectors at 35%, with the second and third highest in Manufacturing at 19.6% and Motor Trade, Wholesale and Retail at 15.7% respectively. Clearly of the 19.6% of jobs in manufacturing, a substantial proportion are located at WIE.
- 3.10 Numbers and types of jobs that might be delivered through the planned development are set out in the Plan Red statement in support of the pre-application.

Premises

- 3.11 The current structure of the availability of premises is strongly geared towards industrial, light and general and warehousing, with the bulk of this stock being located at Wrexham and Llay Industrial Estates, particularly the former.
- 3.12 WIE is the UK's second largest industrial estate in the UK and among the largest in Europe. It provides a good range of industrial units and many, including a number owned by FIREM, have been created through the redevelopment of older, first-generation units, so as to provide more modern and fit for purpose units. By more modern and fit for purpose we mean units with more generous floor to ceiling clearances, large secure gates/doors, dedicated service yards, car and HGV parking, unencumbered operational areas, (some with integral offices), and clad portal steel frame buildings which are easier and lower cost to maintain. Older first-generation stock is becoming less popular with tenants and rentals have and will continue to fall given the generally poor quality of the accommodation provided and limitations as to how it can be used.



- 3.13 The remainder of the industrial estates in the County Borough are located around the A483 corridor to the west of the town.
- 3.14 Wrexham Town also has a significant supply of offices, which are mainly focused on the north west from the town centre up to the Garden Village neighbourhood and include most of Glyndŵr University and Coleg Cambria. There is also a focus in the south west of the town, which includes Wrexham Technology Park.

Where the Local Workforce Works

- 3.15 Figures from 2012 and more recent census data (Welsh Government statistics), used to support the evidence base of the LDP, shows that 29% of workers commuted out of Wrexham –comparable to the North Wales average. The highest percentage of commuter outflows were to Cheshire West and Chester of 9.8% (6,200). Similarly, the highest number of in-commuter flows were from CWAC at 7% (4,200) closely followed by Flintshire 6.5% (3,900) and Shropshire 5.8% (3,500). A substantial proportion of those of working age living in Wrexham are employed by businesses based on WIE.
- 3.16 Work by Model Logic working directly for FIREM, linked to addressing phosphate issues, has profiled from where employees for units planned for other sites, including a site we know as Site 5 off Clywedog Road South, are likely to come from. This is based on consideration of the type of employment to be provided and very up to date census data (based on 2021 Census) using the River Dee Special Area of Conservation (“DSAC”) as the study area. This confirms in the order of 92% of people will be drawn from the DSAC, which is in effect the natural catchment of the town and its suburbs. New employment generated at WIE will therefore deliver significant benefits to Wrexham, an important consideration when one considers the difficulties in obtaining public funding through the LUF bid process, which offers no guarantees of success.

4 LAND REQUIREMENTS AND DEMAND

- 4.1 The Employment Land Review 2015 (“ELR”), although now dated, found the main existing supply of employment land and premises benefitting Wrexham to be strongly focussed on the WIE with over two-thirds of land located on the Estate (141.07 ha of the total 204.91 ha).
- 4.2 However, the net supply figure on the Estate reduces to 56.04 hectares once sites with constraints or reserved for business expansion are taken into account. Regarding constraints, many of these are linked to the perceived ecological value of parts of the Estate.
- 4.3 Wrexham Town and the Technology Park are the primary office market locations with Wrexham and have the greatest supply of vacant office space (52% of available floorspace), across a wide range of accommodation sizes.
- 4.4 The employment land supply is monitored by the Council on an annual basis. The Topic Paper summarises the supply information updated to a 1st April 2015 base date (Table 1 extract below).

Table1

	Supply as at 31/3/14 (ELR)		Supply as at 1/4/2015	
	Gross Supply	Net Supply	Gross Supply	Net Supply
WIE	141.07h	56.04h	141.72h	56.69h
Other	63.84h	24.61h	63.84h	19.51h
Total	204.91h	80.05h	205.56h	76.2h

- 4.5 The availability of an existing employment land supply was not therefore identified as a major issue in Wrexham in the ELR for the purposes of setting an employment land requirement through the emerging LDP. The supply envisaged some 53% of the net supply able to be brought forward within a 5 year period, and some 23.75 hectares were immediately available.
- 4.6 However, the ELR did identify that while in theory the County Borough as a whole has sufficient land to meet its needs, qualitative research undertaken indicates a growing land supply shortfall, relating to identified land on the Wrexham Industrial Estate.



- 4.7 The review found a continuing strong demand for sites on the Estate and a shortfall of readily available land on which to create an offer for the future marketing of the Estate to inward investors or existing businesses.
- 4.8 Furthermore, the development of the North Wales prison on the Estate has had the effect of boosting market demand at the Estate as supply chain and affiliated companies seek to locate/ expand close to the facility.
- 4.9 The above is certainly the experience of FIREM. In its experience there is not only a shortage of readily available land but there is also a shortage of good quality modern industrial units that fall within the small to medium floorspace range. And which are available on flexible lease term arrangements. As such opportunities for start-up businesses and enterprises taking their first unit/floorspace in smaller units is limited. The limited supply also inhibits the growth of businesses, which once established, want to relocate to larger units. This is what FIREM terms accommodating the cradle to adulthood floorspace needs of growing and developing businesses.
- 4.10 It is also FIREM's experience and that of its agents that there is an increasing general shortage of undeveloped/greenfield land at WIE for employment development that falls into the categories of medium to large scale units which offer potential to accommodate larger businesses enterprises. This is very much the case with regard to very large units/big box units which offer potential for national/regionally significant logistics operations.
- 4.11 Regarding the increasing shortage of new development land at WIE, the ELR therefore recommended (para.11.11) that consideration be given to identifying additional land at the Estate, and a related need to allocate a further 20-30 hectares in the LDP at WIE (net of any ecological constraints). This was in order to provide sites which can meet both the needs of larger existing businesses that have outgrown their existing units and for land to be marketed to future investors with demand for larger units/sites. This would take the overall employment land requirement proposed in the ELR and for promotion through the LDP to between 50.9 and 60.9 hectares. These figures therefore are generally consistent with the employment land requirement figure of 52.9 hectares derived from Welsh Government projections.



5 LOCAL MARKET CONSIDERATIONS

5.1 Based on work undertaken by FIREM and its agents; reflecting on FIREM's experiences as a developer and property owner nationwide, including at WIE; and also reflecting on approaches to both by businesses and enterprises wishing to take new floorspace/units, FIREM's view of the local employment land and premises market along with local demand at year end 2022 is as follows:

- There continues to be a steady flow of enquiries for modern and fit for purpose industrial units at WIE.
- The size of units for which there is currently strong demand ranges across the full scope of typical employment units. This includes small, medium and large units.
- There is also strong demand for what FIREM would describe as major units/big boxes designed for national/regional logistics operations.
- Similarly for large units for major assembly/manufacturing operations which combine assembly manufacturing, warehousing and distribution and offices/administration.
- The types of leases that occupiers generally want are as follows:
 - 5 years with incentives and break clause after 3 years for small units.
 - 10 years with incentives and break clauses after 5 years for small to medium sized units.
 - 15 – 20 years with incentives after 5 and 10 years for larger/big/box units.
- Demand for larger units but delivered through bespoke new build on undeveloped land.
- Generally, while there continues to be some demand for older more constrained units, this is generally from businesses which are not prepared to pay higher rents and operate the type of businesses which do not need better quality accommodation.
- Issues with older generation units/floorspace, typically expressed by occupiers, is as follows:
 - Low ceiling height is an issue.
 - Encumbered working areas is an issue.



- Generally limited scope for flexible use
- Doors/gates too small.
- Maintenance costs high.
- Poor or no staff facilities.
- Limited dedicated space for office working
- Perception issues.



6 KEY DRIVERS AND CURRENT FLOORSPACE / LAND NEEDS

General

6.1 As identified through the Topic Paper and reflecting the experiences and hopes of FIREM and its agents regarding the need for additional land and more modern and flexible industrial floorspace and units at WIE, including very large/big box units, the following key points and drivers are identified as of relevance to and supporting the proposed development proposed under the planning application:

- Wrexham is a key settlement of national and regional importance.
- WIE offers considerable potential as a continuing focus for investment in future employment floorspace and units.
- The County Borough, reflecting its history and primary industries that dominated in previous years, continues to be over-represented in declining economic sectors such as heavy engineering and related manufacturing.
- Wrexham needs more sites and developments that can accommodate new businesses and enterprises in those sectors that will buck historic trends and sectors.
- The quality and diversity of the town's employment offer, including that at WIE, needs expanding and improving, including through the provision of a range of modern, fit for purpose industrial units.
- These include very large/big boxes, for which supply is poor but demand is high, and smaller units that can be taken on flexible lease terms.
- The council needs to provide targets on land provision for employment uses to ensure that the County Borough continues to provide the right type of employment land, in the right location to enable new businesses to locate in Wrexham and take advantage of its strategically accessible location within the wider North East Wales and North West England market region. This includes at WIE which is a nationally and regionally important industrial zone.
- Encourage and try to ensure that there is a supply of jobs to support a growing industrial sector.
- Assist the current and growing workforce in the County Borough and surrounding area by providing economic development opportunities at key locations and site like



WIE to allow existing businesses to expand and grow and for new enterprises to take units to facilitate growth and expansion.

- Protect existing employment sites and encourage the regeneration and re-use of existing brownfield sites which are still suitable and needed for employment but which also offer potential to be redeveloped to provide new, modern, fit for purpose employment units including units of the size and profile of that envisaged for the site.
- Make sure that those parts of the County Borough that experience high levels of multiple deprivation, which includes parts of Wrexham, have good access to employment land and units and that there are opportunities for growth.
- Support economic and employment growth alongside social and environmental considerations.
- Facilitate regeneration and promote social and environmental sustainability by
- Co-ordinating development with employment opportunities to disadvantaged communities.
- Focus investment to attract funding / partnerships to deliver improvements on links between the wider Wrexham conurbation and WIE, including consideration of multi-modal freight links and walking / cycling infrastructure as a means of commuting for workers.

Site Specific

6.2 Turning to the site, the focus of the planning application, the following factors and attributes illustrate the need for and benefits of the proposed development, including the identified driver of demand for modern very large/big box units at WIE from the logistics sector.

6.3 Key points in this regard are as follows:

- WIE is a large purpose-built employment zone.
- It offers potential for growth.
- Development sites like the application site at WIE can accommodate very large/big boxes.



- There is demand for very large/big box units for logistics use to serve national and regional logistics operations.
- Demand is from major businesses which are happy to take units on a 15+ lease with breaks at agreed junctures.
- The demand in use class terms stretches across Use Classes B1, B2 and B8 but is mainly B8 with regard to very large/big boxes.
- The site offers considerable potential for high quality major employment units which would be of attraction to a range of future occupiers albeit biased towards the logistics sector.
- The proposed development will improve and contribute significantly to the supply of major industrial units for logistics use serving the Country and related adjoining regional areas in England and to meet demand.



7 CONCLUSIONS

- 7.1 Wrexham is a key settlement of national importance.
- 7.2 WIE offers considerable potential as a continuing focus for investment in future employment floorspace and units.
- 7.3 The quality and diversity of the town's employment offer, including that at WIE, needs expanding and improving, including through the provision of a range of modern, fit for purpose industrial units, including units that can be taken on flexible lease terms.
- 7.4 The Kingmoor site offers a fantastic opportunity to grow the employment land supply of the town and WIE particularly for major/very large units.
- 7.5 There is considerable demand for very large/big box units in WIE for logistics use.
- 7.6 The scheme proposed through the planning application provides the potential for up to three, major high quality employment units, all of which can be used for logistics use, but which offer flexibility should there be demand from a light or general industrial operator.
- 7.7 The proposed development will improve and contribute significantly to the supply of major industrial units offering potential for logistics use.
- 7.8 The new units would serve the Country and related adjoining regional areas in England and to meet demand.