

# **AMENDMENT SHEET**

**Planning Committee  
17 December 2015**

## **AMENDMENTS OF CONDITIONS AND REPRESENTATIONS RECEIVED**

7.1 150239 – Land to north/south of Tollgate West, Stanway

### **Brief history summary:**

Tollgate was developed as a bulky goods/white goods retail park during the 1980's and included a Sainsbury's superstore (now demolished):

Adopted Review Colchester Borough Local Plan (March 2004)

"TCS11 (a) The Plan defines bulky goods retailing locations at Tollgate (Stanway).....

...(i) the range of retail products will be limited to bulky goods.

The Tollgate Centre was developed with a similar restriction.

Northern Leg of the Western By-Pass 2000-2001

Erection of distribution centre 2007 (approved 2008) (in what is described as zone 3 in current application)

Erection of car showroom 2007 (approved 2008) (in what is described as zone 3 in current application)

New food store north of London Rd 2010

(this permission required the closure of the then Sainsbury's store south of London Road in a site swap. The former Sainsbury's site was then to revert to employment zone use.

Various across parts of the site bulky goods restrictions on some units have been eased.

## **Employment Appendix from CBC Enterprise Officer:**

### **Tollgate Business Park and demand for B use class development**

#### **Commercial property market in Essex and Colchester: overview**

The recent recession caused all speculative development in Essex and East Anglia to be halted and the subsequent lack of newly built space means good quality commercial stock across all use classes is in short supply. As a result there is an upward pressure on values with an increase in sale prices and rents as occupiers, investors and developers seek out scarce opportunities. The current outlook (2015) is considered by market analysts to be mixed but investment in office, industrial and warehouse property is still seen as attractive for investors due to the limited availability of space and units. (Fisher Jones Greenwood, January 2015; Birkett Long, July 2014).

Colchester industrial property is viewed as a good long-term investment, especially for trusts, and owners have seen ground rents increase in Essex by 12 per cent over 2009-14.

Colchester's industrial estates are considered to benefit from good road infrastructure and proximity to the capital. Investors see Essex overall as a strong location with a 10 per cent yield year on year, compared to 6-8 per cent for retail properties and only 4-6 for residential. (Richard Swan, Whybrows). However, rents in Colchester have yet to respond although there is now very strong demand for good quality and well-located premises, reflecting by increasing transactions, but which are in short supply. Generally, lack of grade A office space has resulted in occupiers taking up good quality refurbished grade B offices, reducing available stock. (Fenn Wright, 2015).

The Borough has seen moderate amounts of new development over the last few years, mainly relating to industrial and storage and distribution uses (planning use classes B1c, B2 and B8) uses and driven by a small number of large developments. At the same time, the Borough has been losing significant amounts of B class space, to the extent that net development rates have been negative in recent years. This has also been driven by a handful of large redevelopments such as the Flakt Woods development which involved the movement of the company to smaller new premises at Cuckoo Farm.

The Employment Land Needs Assessment considered that Colchester is still contending with an oversupply of office space following the economic downturn, which is reflected in the current (2014) relatively high office vacancy rate (15%). This does, however, vary across the Borough's employment sites with the limited market demand focused upon high calibre, small scale schemes that have good access to the A12. The Town Centre, however, is judged to suffer from a concentration of dated, poorly specified office space. The Borough's industrial market is considered to have weathered the recession better, with market feedback indicating that the supply and demand for industrial accommodation is relatively well matched. Demand is generally for small to medium sized industrial premises up to 1,000 sqm and mainly from local firms. The study's assessment of the current supply of employment sites concluded that in general, the range of sites comprised good quality, well maintained stock with low vacancy levels meeting the requirements of the local market

## Rental levels

The office market in Colchester is underperforming considerably when looking at office rents and vacancy rates. When compared against Chelmsford, the average office rent of £15 psf and vacancy rate of 21% both represent significantly poor commercial property market indicators.

Office rents in Colchester and comparator locations

Location	£psf
Colchester	10.00-16.00
Chelmsford	14.00-26.00
Ipswich	8.00-14.50
Basildon	12.00-17.50

Source: ELNA, 2015

## Industrial

Asking rents for industrial accommodation vary throughout the Borough and currently range from around £4psf for old/poorly specified space at Whitehall Industrial Estate to around £6.50 – 7.00 psf for the best space at Severalls Industrial Estate or for the recently completed stock at Easter Park.

Industrial rents in Colchester and comparator locations

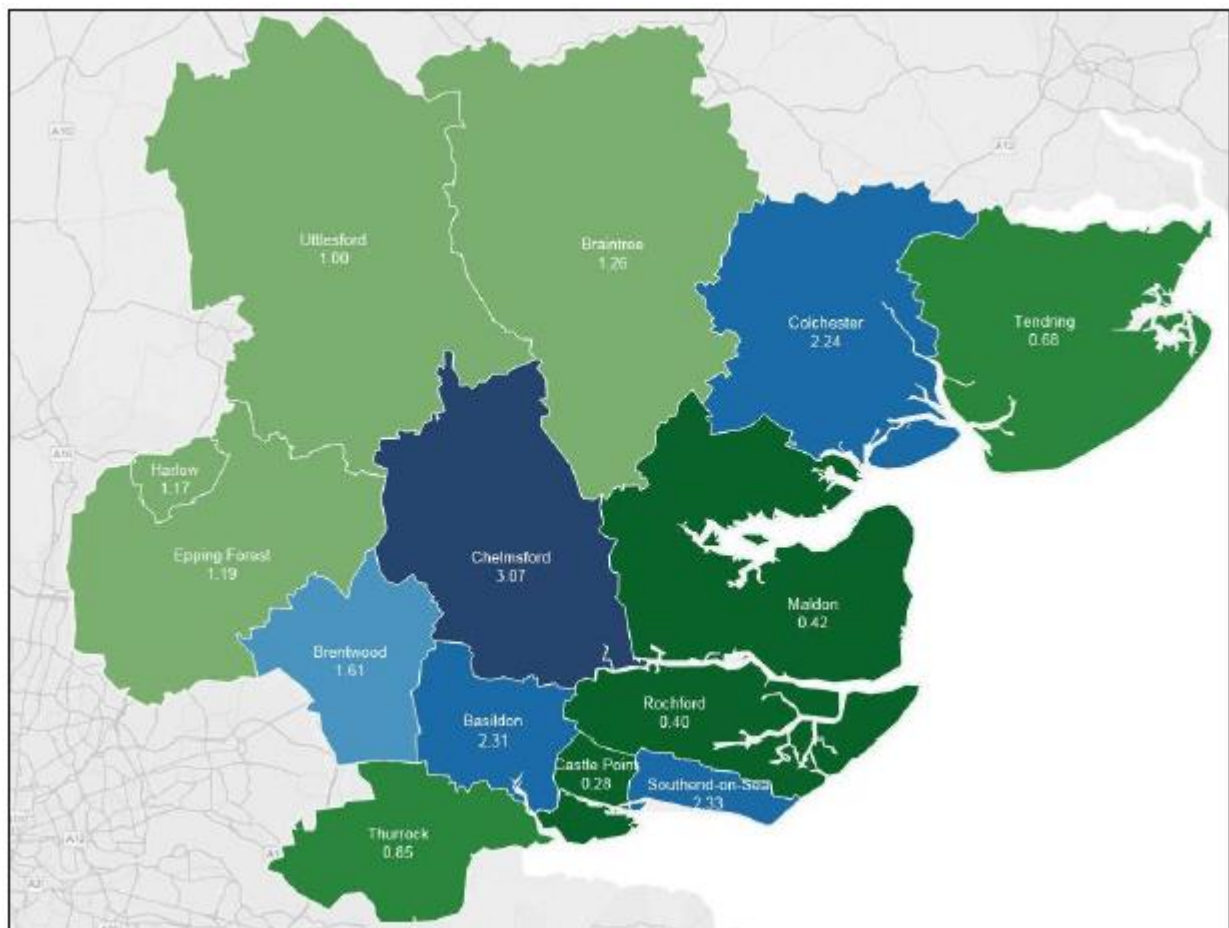
Location	£psf
Colchester	4.50 - 7.00
Chelmsford	5.00 - 8.00
Ipswich	3.75 - 5.00
Basildon	5.00 - 7.50

Source: ELNA, 2015

## Limited office space stock in Colchester Borough

The Borough is not well-endowed with office space, in particular, of new and second-hand grade, given its importance in the urban hierarchy of Essex and the East of England and its sectoral mix. The following map depicts the disparity between the stock of office space between Colchester and that of Chelmsford, its Essex comparator and also other County locations. Colchester has just over two-thirds of the office space total of Chelmsford and slightly less than that of Southend while the most recent available data on quality of office space (VOA, 2008) suggests that the Borough has a significant proportion of old and underspecified accommodation compared to those locations.

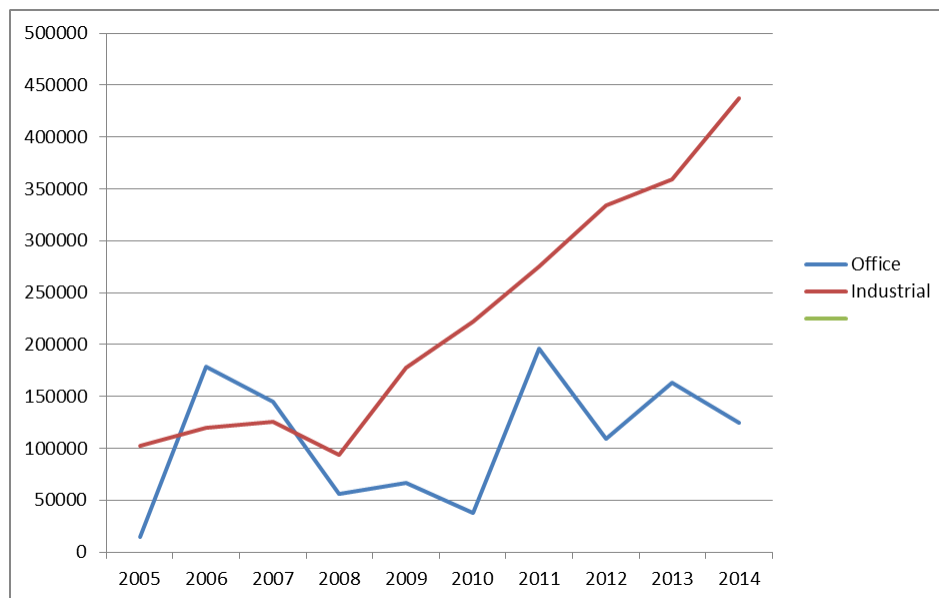
Office stock by local authority area in Essex, 2015 (million square feet)



Source: CBRE, Chelmsford City Centre Office Market Review, Sep.2015

## Recovery in office and industrial property markets in the Borough

Data on total volumes of office and industrial property traded by year since 2005 (EGi) demonstrates an early recovery for the latter from the recession, followed by the office market at a 12-18 months lag and at a lower level:



The trends give cause for optimism for commercial property development in the Borough which, if sufficiently well-appointed, and given the shortage of Grade A space, may raise the market appeal of Colchester as a location for firms relocating from London and elsewhere. Greater appeal should deliver higher rental ceilings and so generate development activity.

In the above respect, the noted shortage of Grade A office space in Chelmsford relative to demand for that location may encourage spill-over development activity within Colchester to take advantage of a still lower headline rental value. It is the case that Essex overall offers significant financial advantages to the capital in terms of the costs of labour and business premises. The Invest Essex website notes, for example, that *'..labour costs in the County are up to 85% cheaper than the capital and office costs are almost 24% cheaper.'*

### **Tollgate West: a strong location for office expansion in the Borough**

The ELNA graded Tollgate as the second highest employment land location in the Borough and the area is a Strategic Employment Zone in which the emphasis on development is centred on B use classes.

The locational advantages of Tollgate have already been demonstrated for the office market and the following, recent examples, of speculative development by the Tollgate Partnership, the major landowner in the area, are indicative of the potential for further B use space to improve the profile of the Borough for inward and

expanding local business growth in financial, professional services and allied sectors.

### **Tollgate Business Park, Tollgate West, Stanway, Colchester, CO3 8AB**

These twelve Grade A high specification office plus mixed B use units were a speculative development by the Tollgate Partnership during the recession, coming on to the market in May 2011. The units total 14,660 square feet in sizes from 1,700sf to 3,665 sf. Take-up was slow due to market conditions but by November 2014, eleven of the units were leased and occupied while the last is still on the market at the present time.

According to EGi, there are currently 12 businesses accommodated across the eleven units, drawn mainly from professional and business services sectors and employing a total of 82 people. (October 2015, EGi Occupiers).

The evidence is that, with the recovery of the market, there is demand for B use class units at Tollgate.

### **Provision of managed workspace units, Pappus House, Tollgate West**

Tollgate Partnership has subsequently developed managed workspace on the adjacent, Floral Acres, site to the business units. The development was formally opened in late October 2015, providing Grade A space with excellent fibre optic broadband connectivity for 23 units (ranging from approximately 250 sf to 750 sf) plus a meeting room; with over half - thirteen - of the units already under offer.

Ms Jayne Gee, developer, of the Tollgate Partnership was quoted in the local press as follows:

“People are very excited about this and we have had very positive feedback. “There has

been a shortage of good office space, this is needed in Colchester. Some businesses are in areas that are not well-connected, but people have said we have good quality buildings and there is nothing like it in Colchester.

This is a chance for businesses to grow. We hope good quality companies have an opportunity to expand and feed back to the economy.”

*(Colchester Gazette, 26/10/2015)*

The newspaper reported that companies moving in include architects, engineers and designers.

## **Conclusions**

It seems clear that there are opportunities for developers to deliver B use space within the Borough as the market is at or close to pre-recession levels, there is an acknowledged shortage of Grade A office space across the Greater Southeast and within Chelmsford, Colchester's nearer-London rival, and rapid population growth which is maintaining an increasing economically-active population seeking, predominantly, local employment.

The evidence of delivery of new, quality, commercial accommodation in the Borough in the right locations (including, for example, the Ardleigh Interchange and Axial Way) confirms the axiom, "build it and they will come!".

Jim Leask

Colchester Borough Council

Senior Enterprise Officer

28/10/2015

## **Consultation update:**

Since the report to Committee was prepared 77 additional/reinforcing public comments have been received.

**Of these 68 express support and 9 express objection: a ratio of 7.5:1 in support.**

## **Prematurity:**

NPPG:paragraph 014

In what circumstances might it be justifiable to refuse planning permission on the grounds of prematurity?

Annex 1 of the National Planning Policy Framework explains how weight may be given to policies in emerging plans. However in the context of the Framework and in particular the presumption in favour of sustainable development – arguments that an application is premature are unlikely to justify a refusal of planning permission other than where it is clear that the adverse impacts of granting permission would

significantly and demonstrably outweigh the benefits, taking the policies in the Framework and any other material considerations into account. Such circumstances are likely, but not exclusively, to be limited to situations where both:

- a) the development proposed is so substantial, or its cumulative effect would be so significant, that to grant permission would undermine the plan-making process by predetermining decisions about the scale, location or phasing of new development that are central to an emerging Local Plan or Neighbourhood Planning; and
- b) the emerging plan is at an advanced stage but is not yet formally part of the development plan for the area.

Refusal of planning permission on grounds of prematurity will seldom be justified where a draft Local Plan has yet to be submitted for examination, or in the case of a Neighbourhood Plan, before the end of the local planning authority publicity period. Where planning permission is refused on grounds of prematurity, the local planning authority will need to indicate clearly how the grant of permission for the development concerned would prejudice the outcome of the plan-making process.

#### 7.4 152344 – Old Heath Recreation Pavilion, Recreation Road, Colchester

- 1) Sport England has responded and has stated that it does NOT raise an objection (the full transcript of its comments is available on the website)

On this basis, the recommendation is hereby slightly amended to simply read “APPROVAL.”

- 2) The Community Initiatives Officer has advised as follows:

In regards to the planning committee report, we just wanted to emphasise the fact that the toilet facilities within the café will be for community / public use during opening hours, regardless of if items are purchased from the café or not.