

Wiltshire Employment Land Review

Appendix 6: Wiltshire Employment Land and Property Market

Prepared for Wiltshire Council

December 2017

Contents

1. Current Supply of Employment Space	1
2. Commercial Property Market	14

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1. Current Supply of Employment Space

1.1 Introduction

This section provides an overview of the quantity and characteristics of Wiltshire’s existing employment premises. As of 2017 the county contained some 3,563,000 sq m [Source: VOA] of B-use class employment floorspace.¹

Figure 1 - Existing current B-class employment space

Type	Total Stock (sq m)	% Total Stock	No. of Properties	% of Properties	2008 Stock (sq m)	Change 2008-2017
Industrial	1,520,000	42%	2,779	36%	1,560,000	-3%
Logistics and Warehouse	1,553,000	44%	2,107	27%	1,136,000	37%
Office	490,000	14%	2,847	37%	534,000	-8%
TOTAL	3,563,000	100%	7,733	100%	3,230,000	10%

Planning use classes are not recorded by the VOA. We have grouped the VOA’s recorded uses into three categories – Industrial which covers B1c, B2 and ancillary uses; Logistics and Warehouse which covers B8 and ancillary uses; and Office which covers B1a and B1b uses.

The majority of B-class floorspace is industrial/logistics with general industrial and logistics/warehouse space accounting for roughly the same amount of overall floorspace, with total office stock making up a significantly smaller amount of floorspace.

Logistics and warehousing stock has increased by 37% of total B-class stock since 2008, while Industrial stock has fallen slightly and office stock has fallen by 8%.²

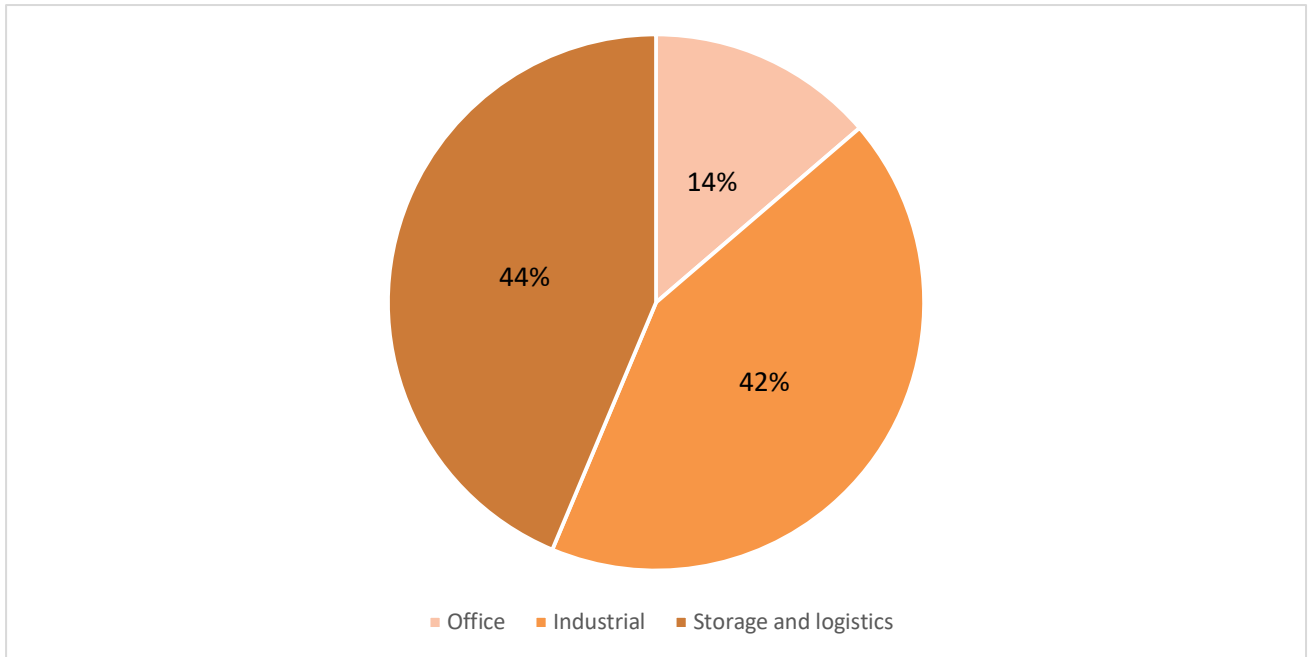
Industrial and Logistics stock is now much more equal, each accounting for approximately 43% of Wiltshire’s B-class employment land.

Within Wiltshire’s industrial, warehousing and logistics and office sectors, the floorspace is broken down approximately as follows:

¹ Source: VOA (2017)

² VOA (2017); BBP Regeneration; *Wiltshire Employment Land and Workspace Review* (RTP, 2011) based on VOA (2008)

Figure 2 - Chart showing percentage of floorspace within each type of use



1.2 Industrial and Light Industrial (B1c and B2)

The overall stock of industrial and light industrial property stands at approximately 1,520,000 sq m of floorspace across 2,779 properties.

The distribution of industrial property by Functional Economic Market Area is set out in the table below:

Figure 3 - Industrial Stock by FEMA

FEMA	Total Stock (sq m)	% Total Stock	No. of Properties	% of Properties
A350	1,012,000	67%	1,646	59%
A303/Salisbury	274,000	18%	701	25%
M4/ Swindon	234,000	15%	432	16%
TOTAL	1,520,000	100%	2,779	100%

Source: VOA (2017)

The majority of existing industrial and light industrial space is located within the A350 FEMA, where there is just over one million square metres of B1c and B2 floorspace.

The main industrial employment areas are located along the A350 corridor in and around the towns of Chippenham, Melksham, Trowbridge, and Devizes, with some key sites around Westbury and Warminster.

Approximately two thirds of the industrial stock is within one of Wiltshire’s sixteen Built-Up Areas (BUA), and is distributed as shown in the table below.

Figure 4 - Total Industrial Stock by BUA

BUA	FEMA	Total Stock (sq m)	% Total Stock	No. of Properties	% of Properties
Melksham	A350	203,000	13.4%	187	6.7%
Trowbridge	A350	139,000	9.1%	93	3.3%
Devizes	A350	114,000	7.5%	109	3.9%
Chippenham	A350	106,000	7.0%	97	3.5%
Salisbury	A303/Salisbury	83,000	5.5%	164	5.9%
Corsham	A350	64,000	4.2%	132	4.7%
Westbury	A350	57,000	3.8%	106	3.8%
Malmesbury	A350/Swindon	54,000	3.6%	29	1.0%
Calne	A350	49,000	3.2%	75	2.7%
Royal Wootton Bassett	Swindon	45,000	3.0%	90	3.2%
Warminster	A350	45,000	3.0%	75	2.7%
Marlborough	Swindon	18,000	1.2%	53	1.9%
Wilton	A303/Salisbury	15,000	1.0%	36	1.3%
Bradford on Avon	A350	10,000	0.7%	32	1.2%
Amesbury	A303/Salisbury	6,000	0.4%	18	0.6%
Tidworth	A303/Salisbury	2,000	0.1%	10	0.4%
Rest of Wiltshire		513,000	33.8%	1,473	53.0%
TOTAL		1,520,000	100%	2,779	100%

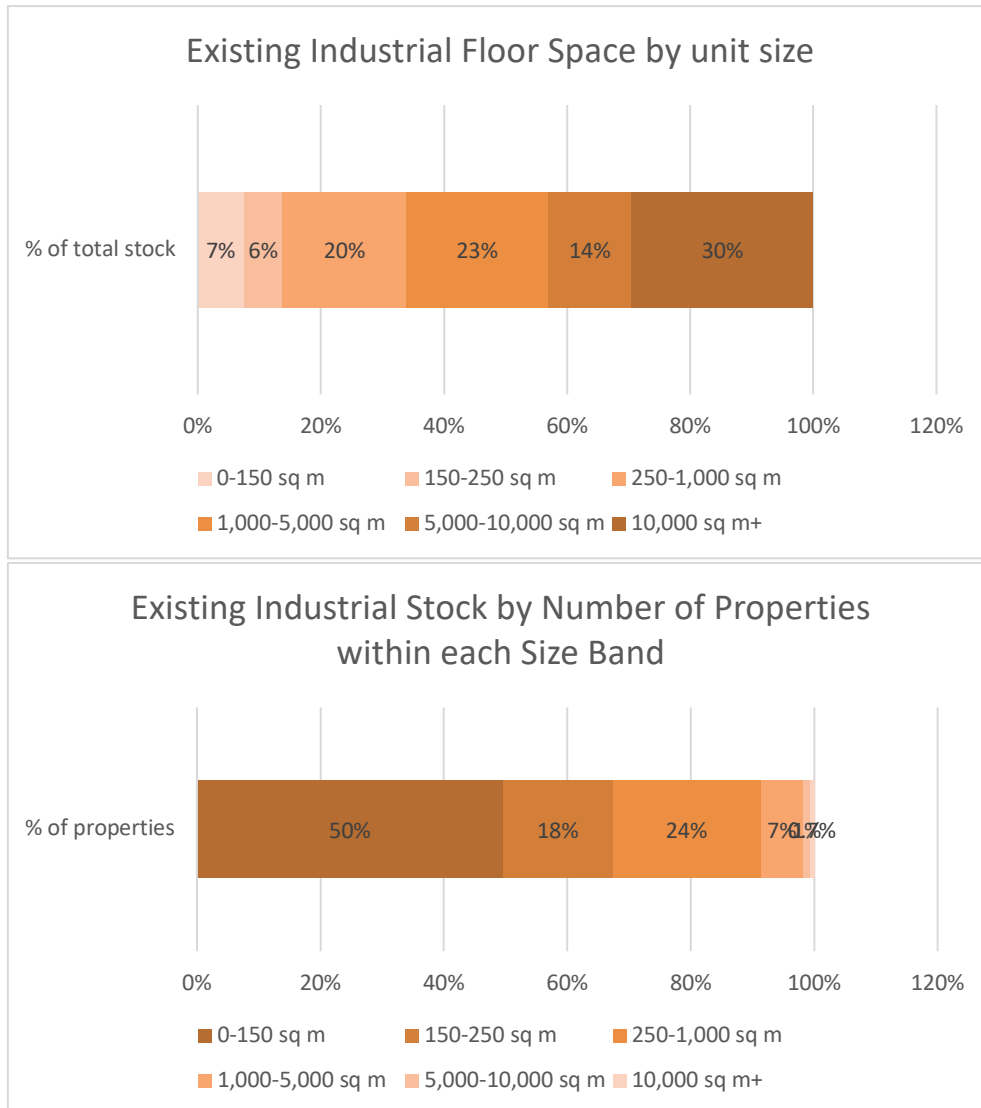
1.2.1 Size Analysis

Analysis of existing industrial stock by size shows that half of all industrial properties are small units of up to 150 sq m (1,615 sq ft).

Nearly a third of the county's industrial floorspace is within 19 large units of over 10,000 sq m (107,640 sq ft) while only 2% of all industrial units are over 5,000 sq m (53,820 sq ft).

Figure 5 - Size analysis of existing industrial stock

Size Bands	Total Stock (sq m)	No of Properties	% of total stock	% of properties
0-150 sq m (c.0-1,600 sq ft)	113,780	1,376	7%	50%
150-250 sq m (c.1,600-2,700 sq ft)	95,514	492	6%	18%
250-1,000 sq m (c. 2,700-10,800 sq ft)	306,192	664	20%	24%
1,000-5,000 sq m (c. 10,800-54,000 sq ft)	349,807	194	23%	7%
5,000-10,000 sq m (c. 54,000-108,000 sq ft)	206,759	29	14%	1%
10,000 sq m+ (c. 108,000 sq ft+)	448,966	19	30%	0.7%
Total Stock:	1,521,019			
Average Unit Size sq m:	548.31			



1.3 Warehousing and Logistics (B8 and ancillary uses)

The overall stock of warehousing and logistics property within Wiltshire is approximately 1,553,000 sq m of floorspace across 2,107 premises.

The distribution of storage and logistics floorspace by FEMA is shown in the table below.

Figure 6 - Logistics and Warehousing stock by FEMA

FEMA	Total Stock (sq m)	% Total Stock	No. of Properties	% of Properties
A350	947,000	61%	1,191	57%
A303/Salisbury	370,000	24%	537	25%
Swindon	236,000	15%	379	18%
TOTAL	1,553,000	100%	2,107	100%

Source: VOA (2017); BBP Regeneration

As in the case of industrial property, the greater proportion (61%) of the total stock of storage and logistics floorspace is in the A350 FEMA.

The bulk of storage and logistics property is found in close proximity to the M4. Royal Wootton Bassett in the Swindon FEMA is the location with the highest amount both of storage and logistics floorspace and premises, while Chippenham and Melksham, Westbury and Trowbridge also have significant amounts of stock.

Only 51% of the county's storage and logistics space is situated within the main built up areas. The table below shows the distribution within these.

Figure 7 - Warehousing and Logistics stock by BUA

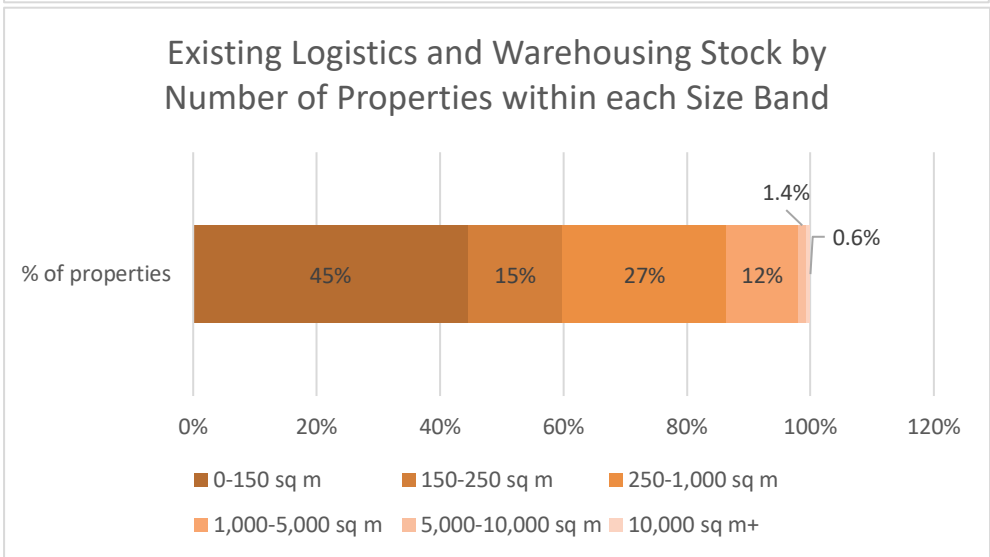
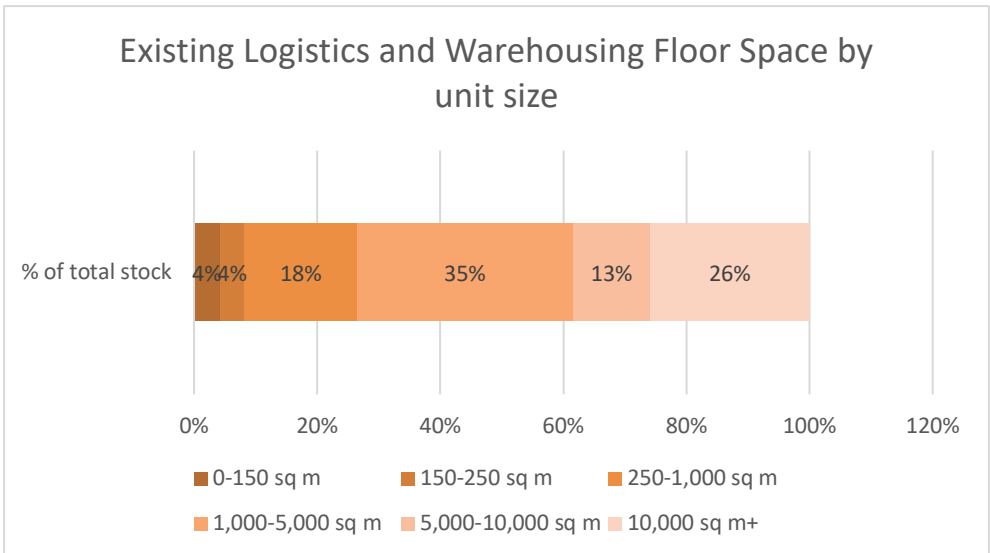
BUA	FEMA	Total Stock (sq m)	% Total Stock	No. of Properties	% of Properties
Royal Wootton Bassett	Swindon	95,000	6.1%	121	5.7%
Chippenham	A350	94,000	6.1%	118	5.6%
Melksham	A350	93,000	6.0%	103	4.9%
Westbury	A350	89,000	5.7%	40	1.9%
Trowbridge	A350	84,000	5.4%	96	4.6%
Corsham	A350	66,000	4.2%	79	3.7%
Devizes	A350	66,000	4.2%	101	4.8%
Salisbury	A303/Salisbury	62,000	4.0%	157	7.5%
Calne	A350	59,000	3.8%	64	3.0%
Amesbury	A303/Salisbury	38,000	2.4%	78	3.7%
Warminster	A350	28,000	1.8%	53	2.5%
Malmesbury	A350/Swindon	18,000	1.2%	22	1.0%
Marlborough	Swindon	5,000	0.3%	31	1.5%
Wilton	A303/Salisbury	3,000	0.2%	24	1.1%
Bradford on Avon	A350	1,297	0.1%	11	0.5%
Tidworth	A303/Salisbury	232	0.0%	2	0.1%
Rest of Wiltshire		751,471	48.4%	1,007	47.8%
TOTAL		1,553,000	100 %	2,107	100%

1.3.1 Size Analysis

Analysis of the existing stock of logistics and warehousing stock is set out in the table below.

Figure 8 - Size analysis of warehousing and logistics stock

Size Bands	Total Stock (sq m)	No of Properties	% of total stock	% of properties
0-150 sq m (c.0-1,600 sq ft)	65,403	937	4%	45%
150-250 sq m (c.1,600-2,700 sq ft)	62,480	322	4%	15%
250-1,000 sq m (c. 2,700-10,800 sq ft)	284,956	560	18%	27%
1,000-5,000 sq m (c. 10,800-54,000 sq ft)	547,279	242	35%	12%
5,000-10,000 sq m (c. 54,000-108,000 sq ft)	195,516	30	13%	1.4%
10,000 sq m+ (c. 108,000 sq ft+)	403,561	13	26%	0.6%
Total Stock:	1,559,194			
Average Unit Size sq m:	741.06			



The majority of the logistics/ warehousing units are under 150 sq m (1,615 sq ft), which accounts for 45% of stock.

26% of the county's logistics and warehousing space is in 13 large premises of more than 10,000 sq m (107,640 sq ft) while only 2% of all logistics/warehousing units are over 5,000 sq m (53,820 sq ft).

1.4 Office (B1)

The overall stock of B1a office property in Wiltshire is 489,830 sq m across 2,821 premises.

The majority of office space is situated within the A350 FEMA as shown in the table below.

Figure 9 - Existing Office Stock by FEMA

FEMA	Total Stock (sq m)	% Total Stock	No. of Properties	% of Properties
A350	302,000	62%	1,516	53%
A303/Salisbury	122,000	25%	723	25%
Swindon	66,000	13%	608	21%
TOTAL	490,000	100%	2,847	100%

Source: VOA (2017); BBP Regeneration

The Wiltshire portion of the M4/Swindon market area has a comparatively small stock of office space due. The Borough of Swindon accounts for a significant amount of offices, but this is outside the Wiltshire FEMA which is being assessed.

Eighty-three percent of existing office stock in terms of floorspace in Wiltshire is located within the built up areas (BUA) shown in the table below. Of these, Salisbury offers the largest amount of office space.

Figure 10 - Office Floorspace by BUA

BUA	FEMA	Total Stock (sq m)	% Total Stock	No. of Properties	% of Properties
Salisbury	A303/Salisbury	80,000	16.4%	422	14.8%
Trowbridge	A350	71,000	14.5%	220	7.7%
Corsham	A350	58,000	11.9%	139	4.9%
Chippenham	A350	55,000	11.2%	238	8.4%
Devizes	A350	40,000	8.2%	106	3.7%
Royal Wootton Bassett	Swindon	29,000	5.9%	219	7.7%
Melksham	A350	14,000	2.9%	123	4.3%
Marlborough	Swindon	11,000	2.2%	110	3.9%
Warminster	A350	8,000	1.6%	68	2.4%
Amesbury	A303/Salisbury	7,000	1.4%	43	1.5%
Westbury	A350	7,000	1.4%	100	3.5%
Bradford on Avon	A350	7,000	1.4%	76	2.7%
Malmesbury	A350/Swindon	6,000	1.2%	83	2.9%
Tidworth	A303/Salisbury	5,000	1.0%	14	0.5%
Calne	A350	5,000	1.0%	67	2.4%
Wilton	A303/Salisbury	2,000	0.4%	26	0.9%
Rest of Wiltshire		84,000	17.2%	793	27.9%
TOTAL		489,000	100 %	2,847	100%

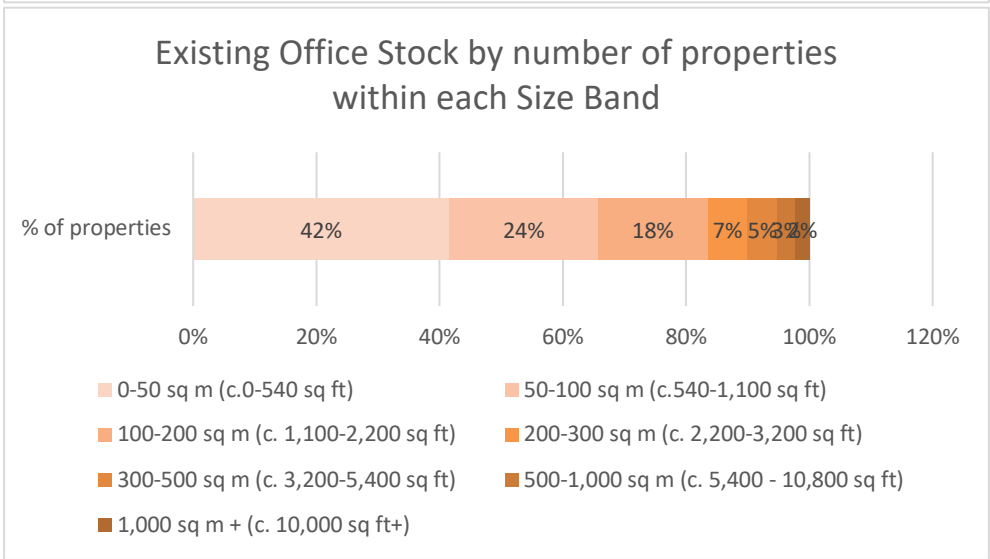
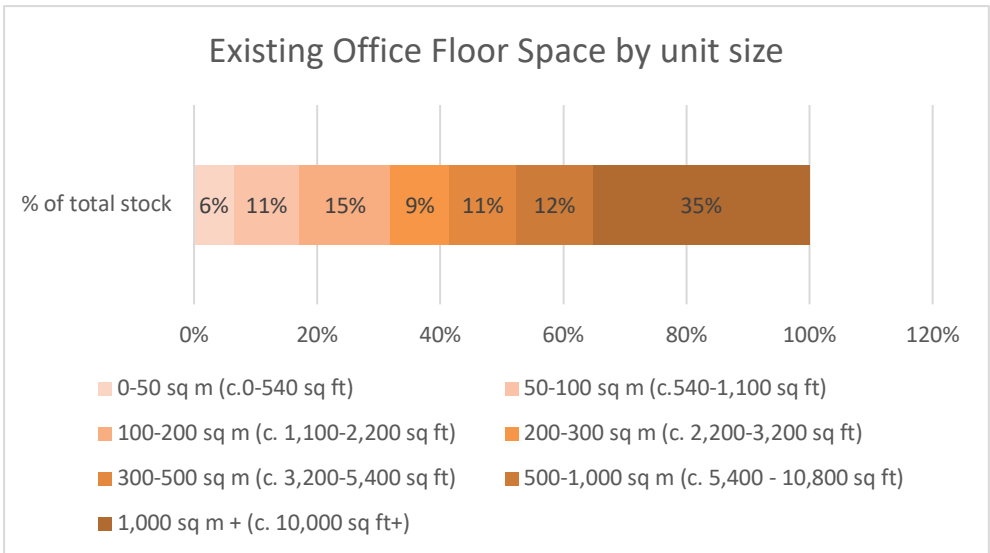
Source: VOA (2017); BBP Regeneration

1.4.1 Size Analysis

Total office floorspace analysed by size is set out in the table below.

Figure 11 - Existing office stock by BUA

Size Bands	Total Stock (sq m)	No of Properties	% of total stock	% of properties
0-50 sq m (c.0-540 sq ft)	29,336	1,127	6%	42%
50-100 sq m (c.540-1,100 sq ft)	48,196	657	11%	24%
100-200 sq m (c. 1,100-2,200 sq ft)	67,415	480	15%	18%
200-300 sq m (c. 2,200-3,200 sq ft)	42,735	177	9%	7%
300-500 sq m (c. 3,200-5,400 sq ft)	49,592	131	11%	5%
500-1,000 sq m (c. 5,400 - 10,800 sq ft)	56,098	80	12%	3%
1,000 sq m + (c. 10,000 sq ft+)	159,432	61	35%	2%
Total Stock:	452,803			
Average Unit Size:	167			



42% of office hereditaments are smaller than 50 sq m (540 sq ft) while 66% are smaller than 200 sq m (2,200 sq ft). Nearly half (47%) of office space, however, is within hereditaments of over 500 sq m (5,400 sq ft).

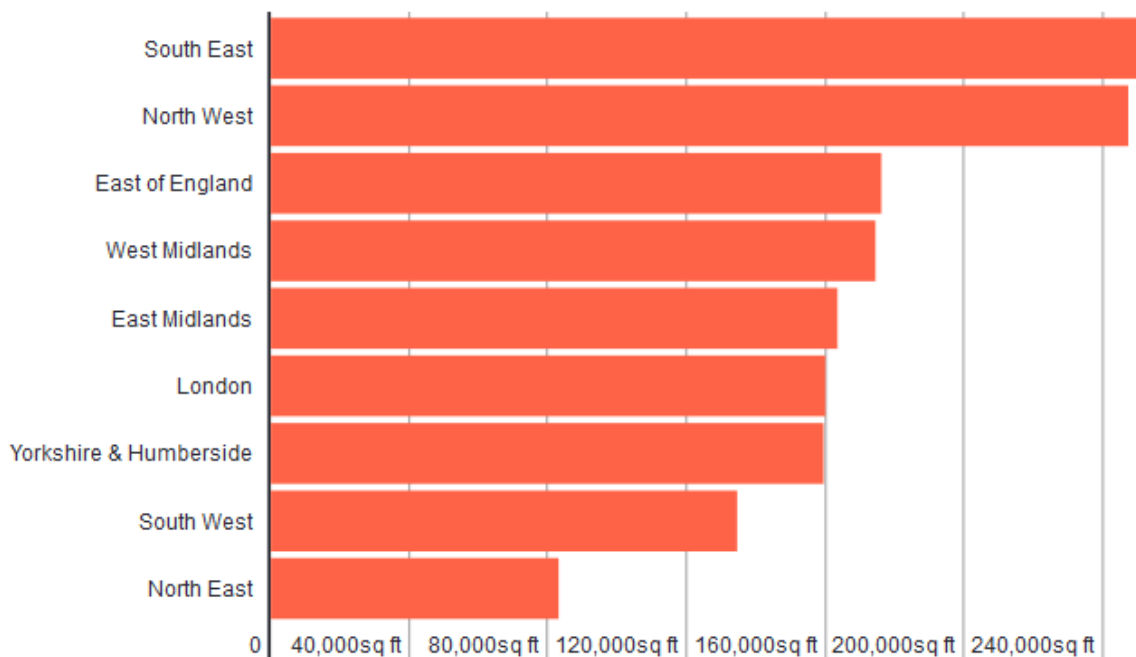
1.5 Loss of Commercial Space

On 6th April 2016 the Government’s amendment to the Town and Country Planning (General Permitted Development) (England) Order 2015 came into force, making PDR (originally introduced on a temporary basis in May 2013) permanent. The amendment has enabled developers to convert offices (B1(a)) to residential(C3) use without the need to secure planning permission. The streamlined system means developers only require a ‘prior approval’ application, saving them both time and money. As part of the ‘prior approval’, local authorities can only consider transport and highways impacts, noise impacts, contamination and flooding risks. Affordable housing is not a consideration, which significantly enhances the viability and attraction of these conversion opportunities. The changes are intended to support the Government’s overall commitment to

delivering one million new homes by 2020. From 1st October 2017 PDR will be introduced for B1(c) light industrial on units below 500 sq m (5,382 sq ft) for a temporary period of three years.

There is already an influx of deals and applications for residential use, according to EG data. In the South East, there is more than 250,000 sq ft of available industrial space, closely followed by the North West with 247,000 sq ft.

Figure 12 - Industrial Space available to convert to residential



Source: EGI (2017)

The problem is that as residential demand grows across UK cities, so does demand for online shopping, which in turn drives up demand for industrial space in urban areas, close to the end user. According to Cushman & Wakefield, London's demand for urban logistics, for example, will rise 42% to 1.2m sq ft by 2021. The only solution is to intensify land use, bringing together the two rivals into one space.

Bristol is considered to be one of the PDR hot spots in the country with the highest number of planning applications granted for office to residential conversions outside of London since the introduction of PDR and remains a hotspot for these types of opportunities given the continued growth of the city's economy.

Wiltshire has also received a number of PDR applications, some of which for high profile office blocks on some of Wiltshire's best quality employment sites, including:

The Pavilions, Winsor Road, Trowbridge – vacant office building conversion to provide 104 new residential units

Methuen Park, Chippenham – office building (c. 4,900 sq m) currently occupied by the logistics operator Wincanton PLC

The policy has generated substantial controversy, which continues. Being generated in the context of an economy struggling to recover and the government's desire to stimulate development rapidly, it was particularly focused on the issue of office developments that had outlived their useful economic life. It would now seem to be driven by the growth agenda for housing delivery but this has squeezed the office market which has created greater pressures on supply and rental levels. Nonetheless, in areas of oversupply of redundant stock, PDR are reported to have positive impact on the market dynamics through regeneration and improved property values. Consultations with local agents in Wiltshire confirm that PDR has not affected the property market negatively for the time being.

Key statistics (nationally)³

- 17.9m sq ft of office space has now been lost
- More than 20,000 homes have been created from PDR since 2013
- PDR conversions account for 7.8% of all new housing
- In London, 7.5m sq ft of office space has been lost
- A further 5.8m sq ft could be converted under not yet implemented approvals
- 50% – average implementation rate
- 750 applications for conversion are submitted per quarter

³ EGi (2017)

2 Commercial Property Market

This section describes current property market conditions in Wiltshire, including trends in demand for and supply of commercial property, and the factors affecting these. These findings are based on discussions with property agents active in the area and various economic development and business organisations, as well as from analysis of commercial property availability databases and published reports on the Wiltshire property market. The views of local businesses on the adequacy of current sites / premises and their firms' potential to expand are also examined.

2.1 National and Regional Trends and Overview

Nationally, both office and industrial markets across the UK have been resilient despite the ongoing uncertainties surrounding Brexit and the unexpected General Election of 2017 with an overall increase in uptake in the first half of 2017.⁴ Agents in the south west of England report robust occupational demand with particular demand in the region as a whole from technology, media and telecommunications (TMT), logistics and public sector occupiers.

Office market trends

The overall vacancy rate in the big six regional cities (including Bristol) fell slightly over the half year, from 6.8% to 6.3% - the lowest since 2002. Grade A vacancy is below 3% in all cities, and is critically low in Bristol where it stands at 0.2% (overall vacancy here is around 3%, the lowest of any major regional market). Grade A vacancy rates are below 2% in Bristol, Edinburgh, Glasgow and Manchester. Bristol, which has the most severe supply shortages amongst the regional cities, only saw 107,500 sq ft delivered in 2016 and 149,000 sq ft in 2017.

Industrial trends

UK take-up of units over 100,000 sq ft exceeded 30 million sq ft in 2016, 14% above the 2015 levels, as demand continues to outstrip supply for the third year in a row. The growth in e-commerce continues to generate unprecedented levels of demand for logistics space, with retail now accounting for 57% of all big sheds take-up.⁵

Speculative development is expected to fall by 65% in 2017, resulting in less choice for potential occupiers. The lack of accessible land in high population areas already presents challenges to finding suitable facilities for last-mile deliveries. In many cases design & build is the only way to guarantee the right product.

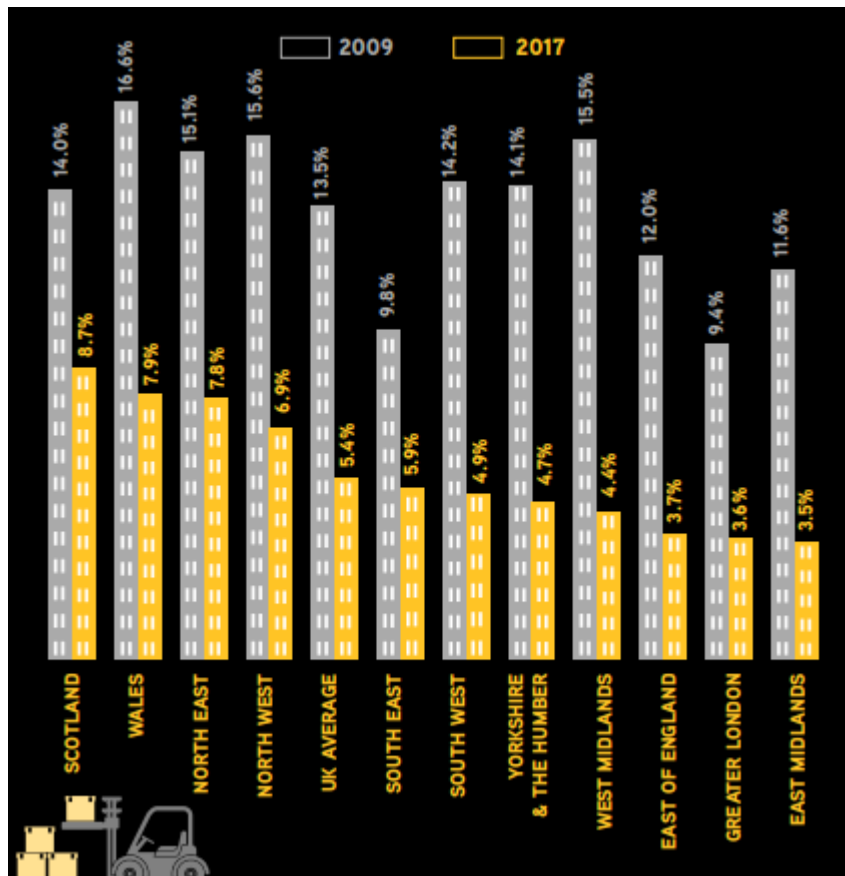
In the current uncertainty in the commercial property market, the industrial market is forecast to perform better than the other major property sectors in 2017, with annualised rental growth of 2.5% in the next five years. Positive outlook for the sector is fuelled by a shortage of quality product and strong demand, with the latter supported by rising online retail sales and an export-friendly exchange rate.

⁴ CBRE National Office Market Outlook H1 2017; Lambert Smith Hampton Office Market Pulse; Alder King Market Monitor (July 2017)

⁵ Colliers International (2017) UK Industrial & Logistics Market Barometer

Overall availability at the lowest level, down by 13% (yoy) & 17% for distribution space (units over 100,000 sq ft) 5.4% average UK vacancy rate, down from 13.5% in 2009. The typical time for units to be let from practical completion is around 6 months. Vacancy rates in the South West are down to 4.9% (from 14.2% in 2009) as shown in the figure below:

Figure 13 - Industrial vacancy rates across the UK



Source: Colliers International (2017) UK Industrial & Logistics Market Barometer

Regional Trends and Pipeline

Regional specialists, Alder King report that across the South West as a whole, developers have been cautious about speculative office development though Aurora at Finzels Reach in Bristol is due for practical completion in Q2 2018 and will comprise 95,000 sq ft (8,826 sq m) of office space. There are also office refurbishments underway at Cathedral Square, Programme and Temple Point in Bristol while in Bath new office schemes at Roseberry Place, Strata and South Quays have received planning consent.

There are also a number of new-build industrial schemes underway in the surrounding area such as Access 18 and Rockhaven in Avonmouth, Horizon 38 in Filton with further schemes planned at Vertex Park, Emersons Green and Belvedere Court, Weston-super-Mare. In Swindon, speculative development at Symmetry Park of a 212,000 sq ft (19,695 sq m) industrial/warehouse building is underway. Alder King also report that Mooreland Estates has submitted a detailed planning application for Trinity Park in Swindon.

The industry is reporting a severe shortage of big sheds on the western M4 with only 200,000 sq ft at the WA248 building in Bristol available in the region as of November 2017. The ending of the toll on the Severn Bridge from the end of 2018 is expected to make south Wales a more attractive location for logistics warehousing. This presents an opportunity for Wiltshire, the central position of which would give any big shed development an advantage with its access to both London and the west and Wales.

Within Wiltshire itself, Hawke Ridge Business Park a 15.3 ha site to the north west of Westbury has planning consent for 250,000 sq ft of smaller industrial space and is being brought forward by HPH Commercial Property. A Detailed Planning Application was submitted in March 2017 for a small business unit scheme providing 53,500 sq.ft. of commercial space. The scheme, to be called Kestrel Court, will include 20 units ranging in size from 1,500 sq.ft. to 5,500 sq.ft. There will also be parking for 99 vehicles, secure parking for 20 bicycles and electric vehicle charging points.

2.2 Local Property Markets

Agents, developers and landowners operating in Wiltshire report a dearth of industrial supply across the county that has seen rents increase by 15% to 20% over the past five years, though this has flattened in 2016/2017. Office demand in Wiltshire is significantly less than for industrial and logistics property and is for high quality premises, supply of which is limited within the county.

Our consultations confirm the existence of three market areas within Wiltshire that broadly correspond to the three Functional Economic Market Areas (FEMA) identified above as the A350, Swindon and Salisbury. The Swindon FEMA centres around the Borough of Swindon, data for which we have excluded for the purposes of our analysis in this section.

2.2.1 M4/Swindon FEMA Industrial Property Market

The Swindon FEMA covers Swindon and northern Wiltshire around the M4. Logistics and distribution are a strength of this area due to its proximity to the M4 and easy accessibility to other parts of the country.

Availability and Take-up

We have analysed commercial property data from both CoStar and EGi to review current market availability and take up of industrial property within the Swindon FEMA excluding Wiltshire. In September 2017 CoStar recorded a total of 3,947 sq ft (42,487 sq ft) of available floorspace within this area, representing only 1% of the total stock according to VOA data. This availability was across nine premises with an average floorplate of 439 sq m (4,721 sq ft) slightly distorted by the availability of 1,830 sq m (19,700 sq ft) within a single large warehouse unit at Whitehill Industrial Park.

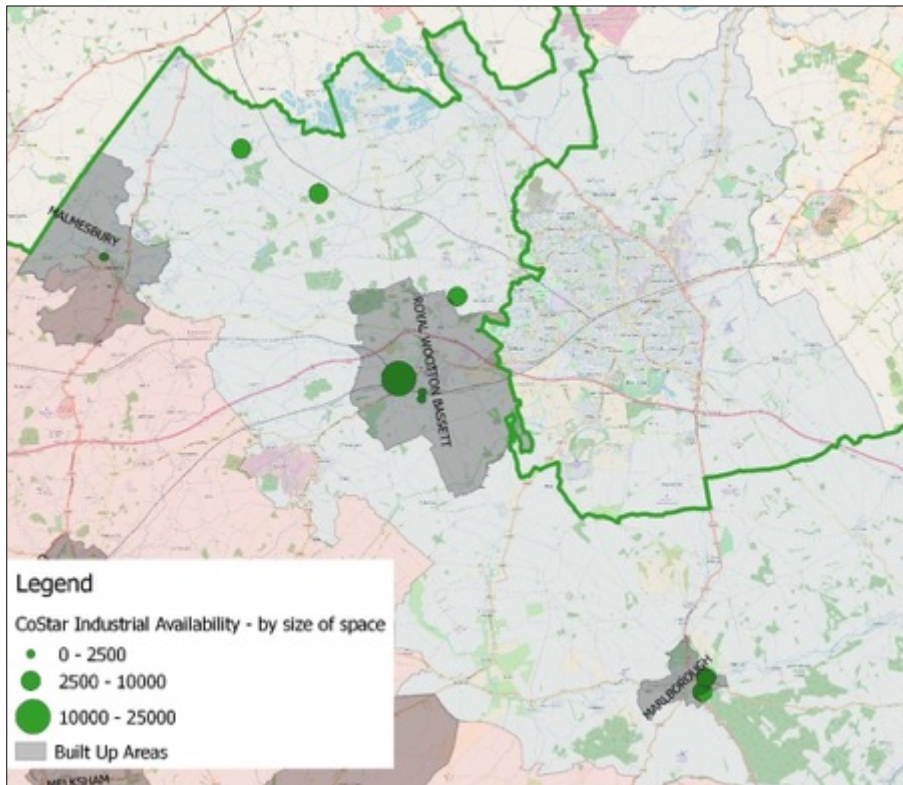
Analysing transactional information for the five-year period from 2012 to 2017 the total take-up as recorded by EGi was 6,303 sq m equating to an average historical annual take up of industrial space within this area was 1,260 sq m.

Quality and Location of Available Stock

The quality of available industrial stock within the Swindon FEMA excluding Swindon is varied with a range of building types generally dating from the mid-twentieth century but with some newer space, though not built within the last ten years.

Available industrial premises are dispersed across the outskirts of Swindon, Marlborough and Malmesbury.

Figure 14 - Availability of Industrial Space within Swindon FEMA (excluding Swindon)



Source: CoStar (2017); BBP Regeneration

Rental Levels

The average asking rent for available industrial space within this area is £73.20 psm (£6.80 psf). The average rent of four recorded lettings that took place in the twelve months before September 2017 was £76.42 psm (£7.10 psf), This included the letting of Grade B space at Whitehill Industrial Park at Royal Wootton Bassett at the relatively high rent of £118.40 psm (£11 psf).

2.2.2 M4/Swindon FEMA Office Market

Availability and Take-up

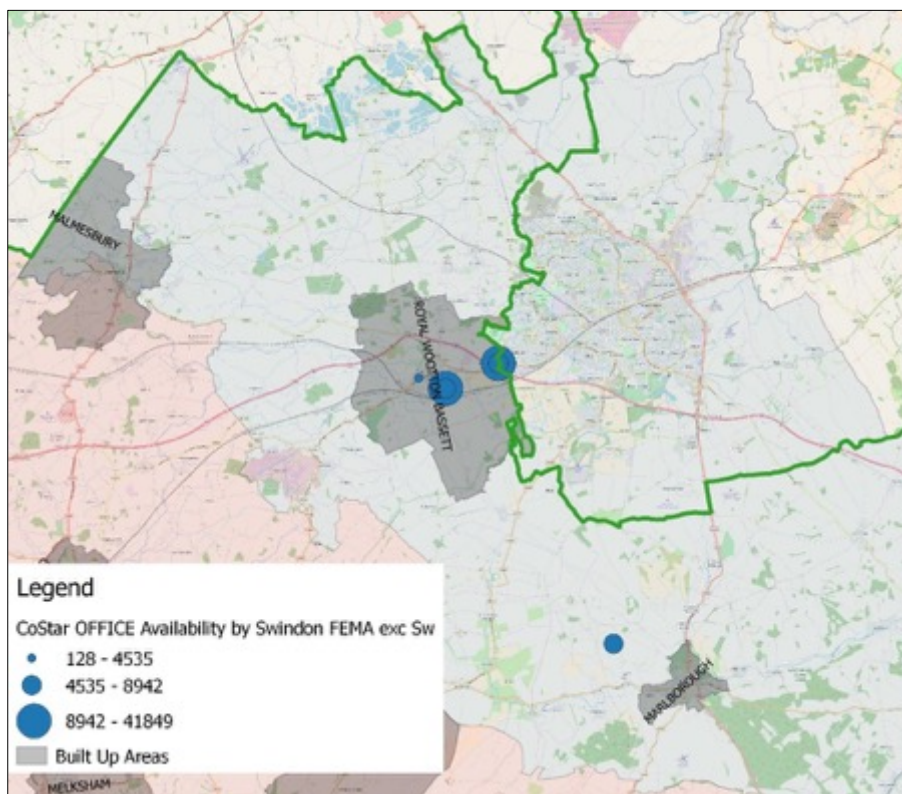
CoStar recorded a total availability of 7,347 sq m (79,087 sq ft) in September 2017, across eight locations. This represents 11% of total office stock within the FEMA according to VOA data. Availability included 39,300 sq ft of proposed office space at Lydiard Fields Business Park. Analysis of transactions over the preceding five-year period shows an average annual take-up of 2,800 sq m (30,139 sq ft) within the part of the FEMA excluding Swindon.

Quality of Current Stock

Available office property is generally of adequate quality with most space within buildings constructed within the last 25 years with one property significantly older and one a proposed development at Lydiard Fields Business Park.

Most of the available property is at Lydiard Fields Business Park or at Interface Business Centre and is of relatively high-quality specification benefitting from air-conditioning and category 2 lighting in most cases, if within second-hand buildings.

Figure 15 - Availability of Office Space within Swindon FEMA (excluding Swindon)



Source: CoStar (2017); BBP Regeneration

Rental Levels

Average asking rents in the area in September 2017 were £127.45 per sq m (£11.84 per sq ft). Based on transactions that took place over the year from June 2016 to June 2017, for which rental information is available, the average rent achieved for office space in the FEMA was £101.93 per sq m (£9.47 per sq ft).

2.2.3 A303/Salisbury FEMA Industrial Property Market

The Salisbury functional economic market area covers the south-east of Wiltshire and is largely rural in character though urban areas include the city of Salisbury and the towns of Wilton, Amesbury and Tidworth.

Availability and Take-Up

Our review of CoStar availability in September 2017 revealed a total of 19,513 sq m (210,034 sq ft) of industrial floorspace within the Salisbury FEMA representing 3% of the total industrial/warehousing stock in the FEMA.

Analysis of historic take-up of such property over the last five years reveals an average of 8,231 sq m (88,596 sq ft) a year.

Quality and Location of Current Stock

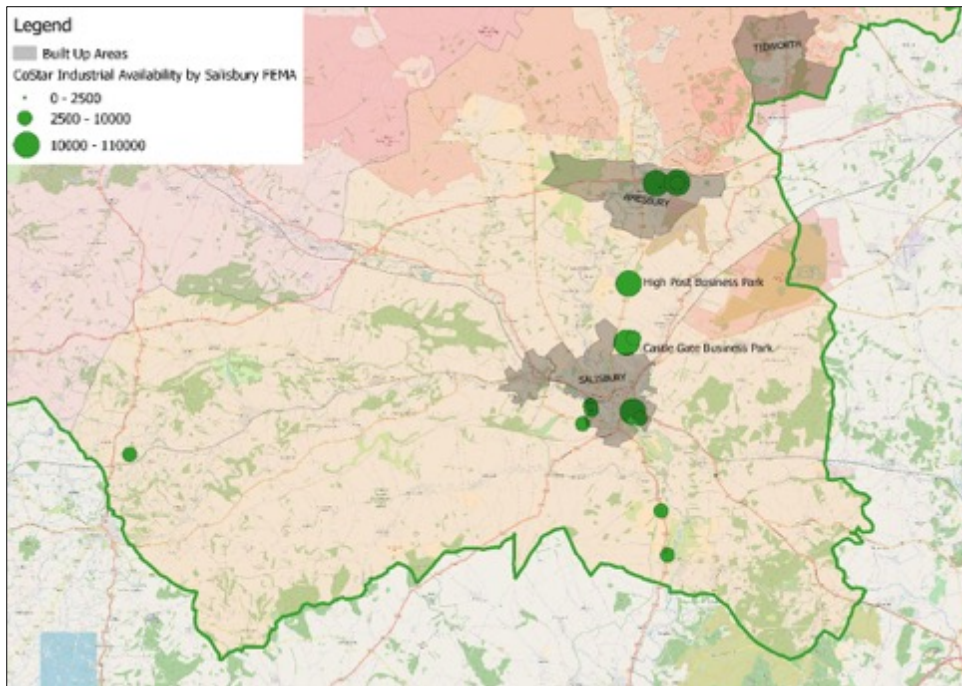
Current available stock within the Salisbury FEMA is an average of 25 years old based on information from CoStar. The newest building in which there was available space in September 2017 was at Boscombe Down Business Park which was over ten years old.

Availability is spread across a number of industrial estates and business parks in and around the city of Salisbury.

The largest unit leased in the twelve months preceding September 2017 was approximately 929 sq m (10,000 sq ft) while the smallest was 32 sq m (345 sq ft) - a workshop and stores in Salisbury. The average unit size let during this period was 195 sq m (2,102 sq ft). Overall the stock and take-up of industrial property within the Salisbury FEMA is relatively small and oriented towards local occupiers.

Current availability is heavily centred on the city of Salisbury while take-up over the last year has been spread across Andover and Shaftesbury as well as Salisbury.

Figure 16 - Industrial Availability within the Salisbury FEMA



Source: CoStar (2017); BBP Regeneration

Rental Levels

The average asking rent for Industrial property in this area was £67.38 per sq m (£6.26 per sq ft), which is similar to the £68.24 per sq m (£6.34 psf) average based on transactions that took place in the twelve months before September 2017.

2.2.4 A303/Salisbury FEMA Office Property Market

Availability and Take-Up

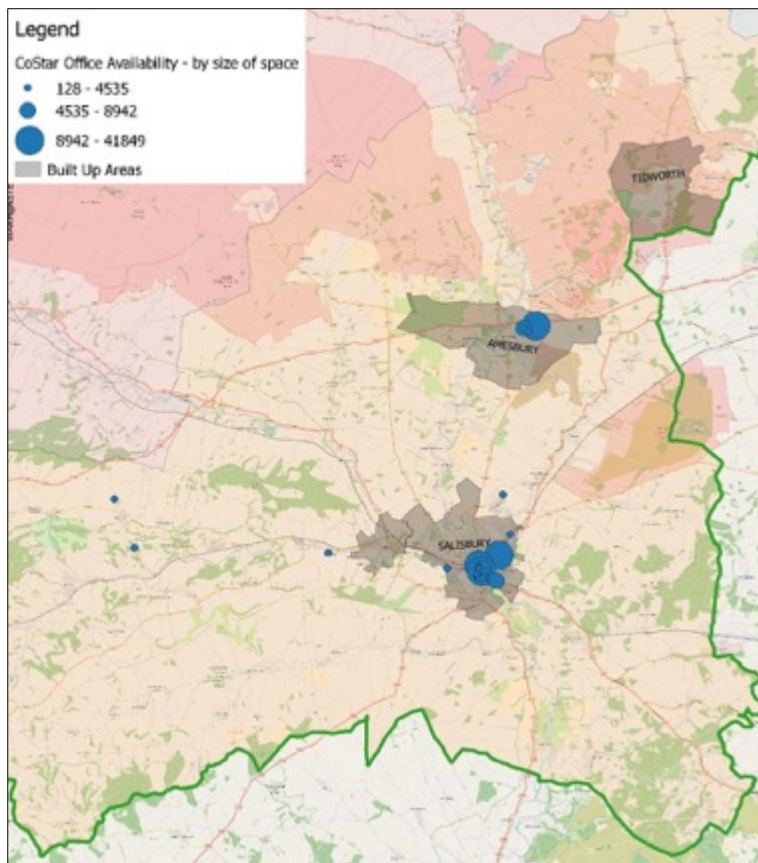
Availability of office space across the Salisbury functional economic market area in September stood at 15,272 sq m (164,386 sq ft) according to data from CoStar.

Analysis of transactions of office space over the preceding five years indicates an annual historic take-up of office property of 3,406 sq m (36,658 sq ft) on average.

Quality and Location of Current Stock

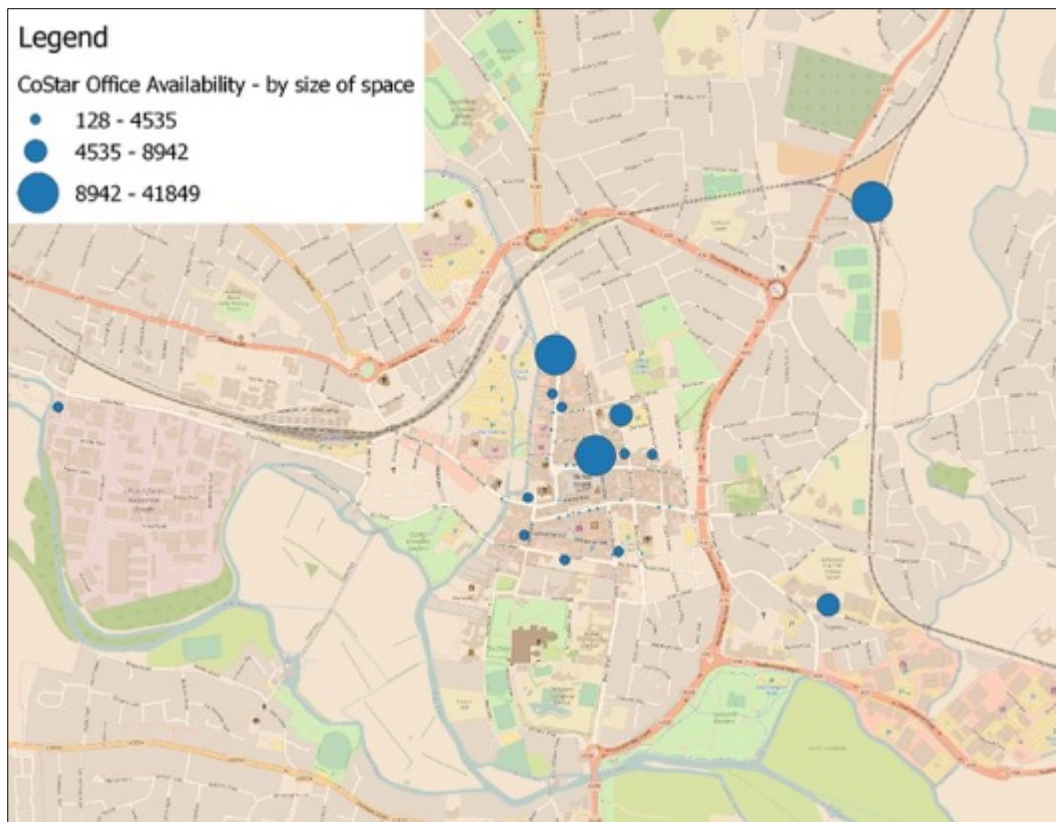
Current office availability in the FEMA is almost entirely within the historic city of Salisbury according to CoStar data.

Figure 17 - Industrial Availability within the A350 FEMA



Source: CoStar (2017); BBP Regeneration

Figure 18 - Office availability within Salisbury



Source: CoStar (2017); BBP Regeneration

According to information supplied by CoStar, the average age of currently available office space is 83 years, with a number of premises within buildings well over 150 years old and generally let in small units to professional services operators including solicitors, accountants and design consultants.

The average size of office unit leased in the year between September 2016 and September 2017 was 173 sq m (1,865 sq ft).

Rental Levels

The average asking rent for office property in September 2017 was £113 per sq m (£10.50 per sq ft), while average rents for the eighteen leasing transactions that took place between September 2016 and September 2017 for which we have information, was £108 per sq m (£10 per sq ft).

2.2.5 A350 FEMA Industrial Property Market

The A350 functional economic market area has the largest concentration of supply of industrial property in Wiltshire by far and also has the largest property market in so far as transactions and availability is concerned.

Availability and Take-Up

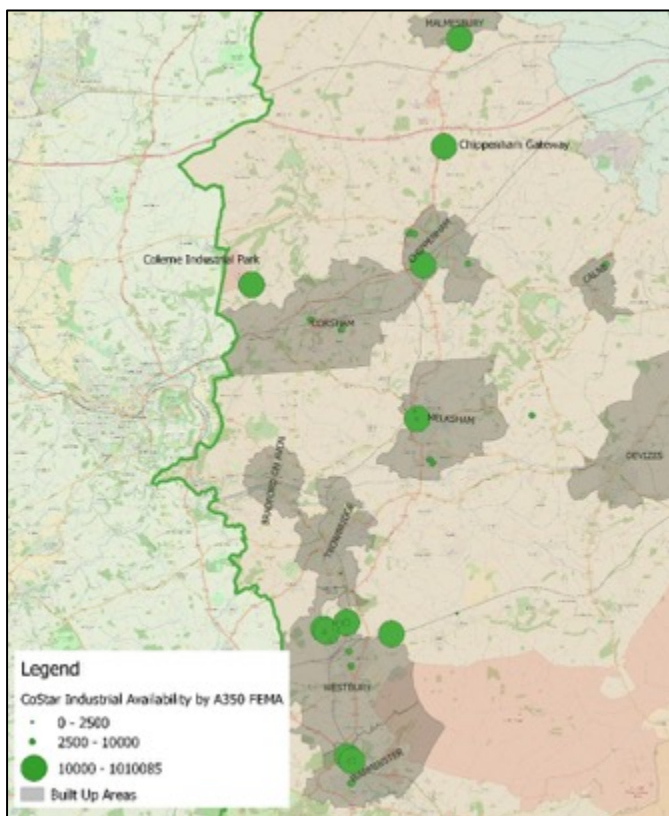
Current availability of industrial space as of September 2017, according to CoStar data, stands at 187,690 sq m (2,020,292 sq ft), accounting for 89% of Wiltshire’s available industrial space. This figure represents 10% of the total stock of industrial property within the A350 FEMA according to VOA data.

Historic take-up of industrial space over the five years before September 2017 has been at an average rate of 17,881 sq m (192,469 sq ft) a year.

Quality and Location of Current Stock

Current available industrial property is varied and includes both Victorian buildings, some of which have been refurbished in recent years, as well as a significant amount of space within new developments, available as pre-lets. There is 39,907 sq m (429,553 sq ft) of proposed space at the Hawke Ridge Business Park and a further 1,010,085 sq ft (93,839 sq m) of space at the proposed Chippenham Gateway site.

Figure 19 - Industrial Availability within the A350 FEMA



Source: CoStar (2017); BBP Regeneration

Rental Levels

The average asking rent for industrial property across currently available stock is £65.88 per sq m (£6.12 per sq ft), while the average rent based on transactions of the past year is £56.51 per sq m

(£5.25 per sq ft), though this is somewhat distorted by the wide variety in terms of quality, with several transactions involving very poor quality storage space. Units at the proposed Hawke Ridge Business Park are being marketed at £91.49 per sq m (£8.50 per sq ft).

2.2.6 A350 FEMA Office Property Market

Availability and Take-Up

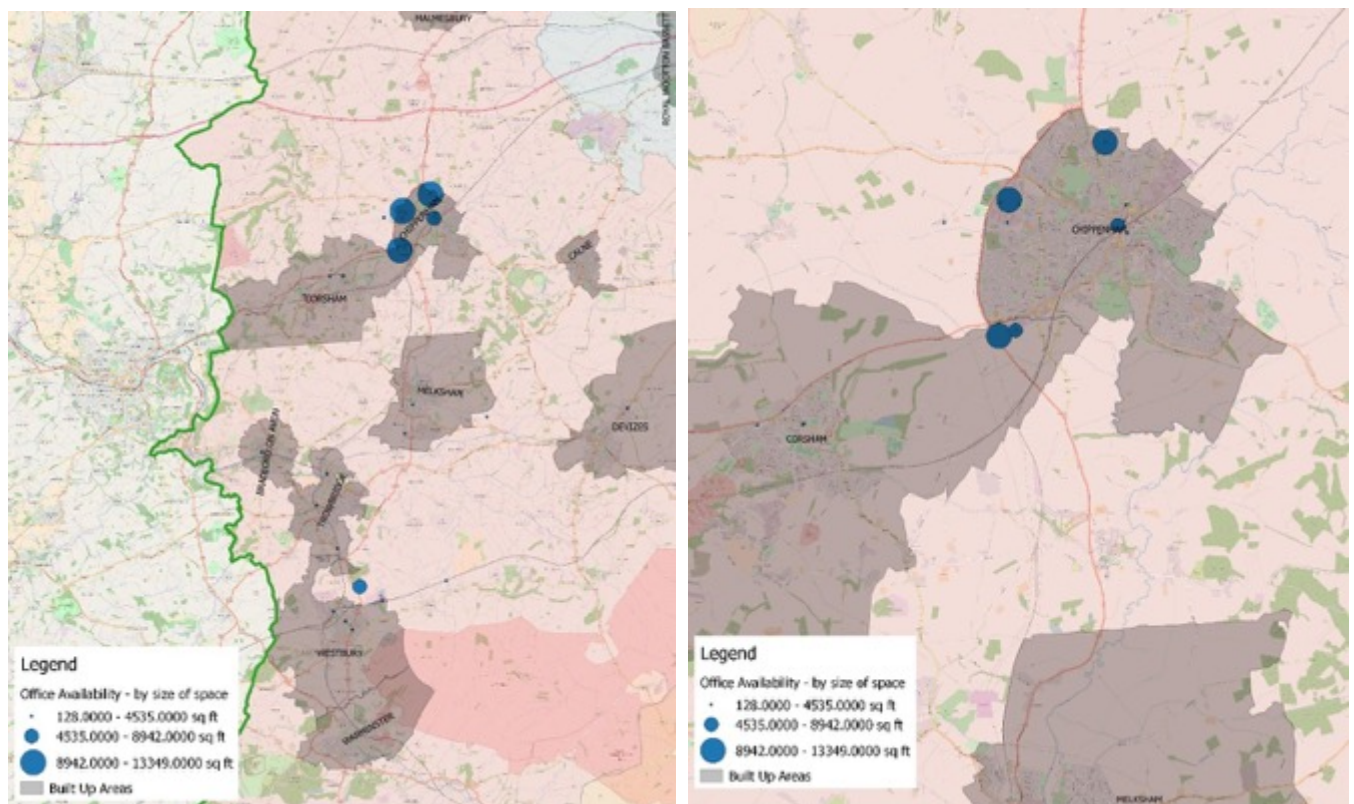
CoStar data records that there was 9,508 sq m (102,343 sq ft) of office space available across the A350 FEMA in September 2017, a figure that represents 3% of the total stock of office space in the FEMA according to VOA data.

Historic take-up over the five years preceding 2017 stood at an annual average of 4,441 sq m (47,801 sq ft).

Quality and Location of Current Stock

The available office stock is varied in terms of age, quality and specification. Analysis of information regarding available office stock across the FEMA suggests that the average age of building available as of September 2017 was 57 years though this included a number of historic buildings subsequently refurbished. The median age of available office property within the FEMA was 27 years.

Figure 20 - Industrial Availability within the A350 FEMA



Source: CoStar (2017); BBP Regeneration

Rental Levels

The average asking rent for office property within the A350 FEMA in September 2017 was £127 per sq m (£11.80 per sq ft). The largest modern office units available were within business parks at Chippenham including Methuen Park and Greenways Business Park, where rents are £156-167 per sq m (£14.50-£15.50 psf).

2.2.7 Wiltshire Property Market – Summary

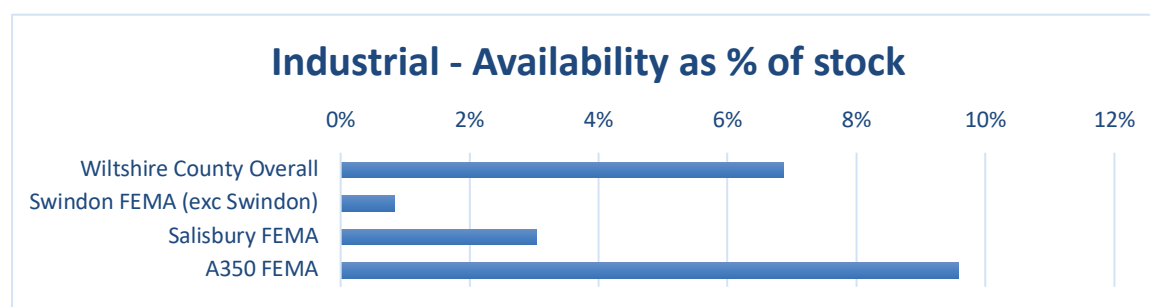
The preceding sections have considered each market area within the county. The tables below summarise these findings for Wiltshire as a whole.

Figure 21 - Industrial Availability

	Floorspace Available (sq m)	Availability as % of stock
Wiltshire County Overall	211,149	7%
Swindon FEMA (Wiltshire only)	3,947	1%
A303/Salisbury FEMA	19,513	3%
A350 FEMA	187,690	10%

Figure 22 - Office Availability

	Floorspace Available (sq m)	Availability as % of stock
Wiltshire County Overall	32,127	7%
Swindon FEMA (Wiltshire only)	7,347	11%
A303/Salisbury FEMA	15,272	13%
A350 FEMA	9,508	3%



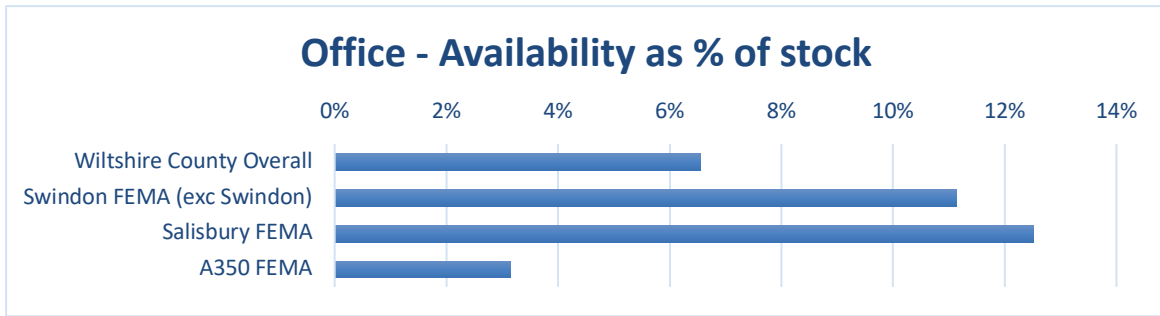


Figure 23 - Average annual take-up of industrial and office property by FEMA

FEMA	Average Annual Take-up of Industrial Property (sq m)	Average Annual Take-up of Office Property (sq m)
M4/Swindon	1,260	2,800
A303/Salisbury	8,231	3,406
A350	17,881	4,441

Average annual take-up of industrial property over the last five years has historically been almost double that of the rest of Wiltshire combined, while take-up across market areas has been relatively even in the office market.

These historic take-up figures are not comprehensive, reflecting information on deals recorded in property databases and consequently this is minimum take-up as many transactions may not be recorded.

2.2.7.1 Notable Recent Transactions

Some of the most prominent property deals over the last year:

- The sale and leaseback of Unit 1, Interface Business Park, Royal Wootton Bassett, Swindon, to Keills Property for £4 million. The sale reflects a net initial yield of 5.7 per cent. The modern industrial warehouse, which totals 51,580 sq ft, was built in the early 1990s and comprises a two bay distribution warehouse facility with ancillary office accommodation set over two floors. It also benefits from four dock level and two level access loading doors, as well as a self-contained secure service yard with a depth of 39 metres. Interface Business Park, located close to Junction 16 of the M4 motorway, is a prime regional distribution location. Local occupiers include DPD, David Hathaway, Plantronics and Dolby.
- Three high quality brand new industrial units totalling 4,536 sq ft were let at Wiltshire Council's Castledown Business Park at Ludgershall in Wiltshire.
- The lettings at Brydges Court, the second phase at Castledown Business Park constructed by St Modwen, were agreed with three local occupiers and follow two large transactions completed last year with UK Power Networks and the University of Hertfordshire. The latest occupiers include Cloud Island Premium E-Liquids and Intertox which agreed terms on adjacent Units 5b (1,998 sq ft) and 5c (1,809 sq ft) respectively. Local photographer Boutique Photography has taken Unit 7C comprising

729 sq for a new photographic studio. There are now just four out of the 15 industrial units remaining at Brydges Court, offering accommodation ranging from 2,494 to 4,940 sq ft. All four are available on new leases; alternatively the long leasehold interest is available to purchase.

- The most important development site in Devizes has been sold to McCarthy and Stone. Formerly the headquarters of Kennet District Council, the six and a half acre site on Bath Road has been diligently marketed by Bruton Knowles on behalf of Wiltshire Council to secure the future, and maximise the value of the former HQ complex.
- A leasehold deal was agreed for a 59,391 sq ft warehouse in Melksham. The detached unit, which is located on Lancaster Road at the Bowerhill Industrial Estate, has been let to Westbury Packaging on a 15-year lease with breaks at six and 10 years. There is also an option to purchase during the first six months. Set in a self-contained site of 2.37 acres including parking, loading and yard areas, the unit was previously occupied by Cooper Tyres, which has relocated to Swindon. The property was subsequently extensively refurbished by The Minton Group.
- A new development at Crusader Park in Warminster is set to tackle the shortage of high-quality industrial property in the area that has been an issue for businesses since the start of the recession. The shortage of industrial stock and demand for high-spec industrial space has prompted local developers James R Pearce Developments Ltd to commence construction. Crusader Park, to the north of Warminster, is one of the area's most successful business centres, with a range of commercial and industrial occupiers. The development is nearing completion and offers units from approx 5,250-15,672 sq ft.
- Outline plans to double the size of Dyson's research centre in Wiltshire have been approved by planners. The engineering firm says the £250m expansion of its Malmesbury headquarters will eventually bring 3,000 new jobs to the town. The expansion is expected to be the largest in the firm's 20-year history.