LAND AT CAMBRIDGE ROAD, HARDWICK

DEMAND & NEED MARKET REVIEW

08 September 2023
One Station Square, Cambridge, CB1 2GA

Carter Jonas

CONTENTS

Reference: Land at Cambridge Road, Hardwick – Demand & Need Market Review

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1.0 EXECUTIVE SUMMARY

- **Light Industrial / Warehouse Accommodation**
  - There is a lack of available light industrial units within the search areas.
  - Existing industrial units are generally dated with only 6% of the stock built after 2020.
  - There is demand for small scale industrial units with circa 55% of lettings involving no more than 5,000 sq. ft. per disposal.
  - Newly built stock is in demand with take up strong in the examples identified.
  - Rents achieved on new build accommodation are exceeding average rents achieved across the market as a whole (including second hand stock).
  - It is considered that there will be a demand for small scale light industrial type units of between 500 – 3,000 sq. ft. on the site with a greater weighting towards those of c. 500 – 2,000 sq. ft.
  - The light industrial units are best located at the entrance to the site to avoid conflict with residential areas.
- **Self-Storage Units**
  - It is considered suitable to include a limited number of drive-up self-storage units to ease pressure on storage of items in the proposed domestic garages.
  - Consideration will need to be given towards the lack of jobs created by such a use which may not help from a planning perspective.
  - The quantum of units to be delivered, if any, will need to be tested with end operators who are likely to require a minimum number of units to make a viable business offering.
  - The self-storage units are best located at the entrance to the site adjacent to the light industrial units.

- **Flexible / Semi-Serviced Office Accommodation**
  - There is a sizeable number of existing offices within the search areas with 80% of the office stock providing 5,000 sq. ft. or below.
  - Properties under 10,000 sq. ft. within a 15-mile radius of Hardwick have average market rent of £27.46 per sq. ft. compared to those within a 2-mile radius of Hardwick and similar settlements / villages which have an average market rent of £20.97 per sq. ft.
  - Within a 2-mile radius of Hardwick and similar settlements / villages the highest number of deals occurring were under 1,000 sq. ft.
  - There is continued strong demand for semi serviced / flexible / co-working office space from new and emerging businesses wishing to take short term space as part of their growth trajectory.
  - There is a good supply of large-scale (c. 20,000 – 30,000 sq. ft.) serviced / flexible office accommodation across the local area although most spaces are located in Cambridge or major towns / cities.
  - There could be scope to include a small proportion of flexible office accommodation within a central 'community hub' building with a range of workspace options presented e.g. hot desk / communal work areas / small private office suites.
  - Consideration will need to be given to the total scale of the space and how it is run with an on-site receptionist to run operators day to day supported by a letting agent / managing agent a solution.
  - Scale is to be determined but could be no more than say 3,000 sq. ft.
  - The co-working / semi serviced office space is best located within a mixed-use building as part of the 'local centre' offering.

2.0 LIMITATIONS OF REPORT

This report is provided for the purposes and use of the client. It is confidential to the client and the client's representatives. Carter Jonas LLP accepts responsibility to the client that the report has been prepared with the skill, care and diligence reasonably expected of a competent Chartered Surveyor but accepts no responsibility whatsoever to any party other than the client. Any such party relies on the report at their own risk.

This report is provided in the strictest confidence. Neither the whole nor any part of this report nor any reference thereto may be included in any published document, circular or statement, nor published in any way, nor disclosed to any third party without the prior written consent of Carter Jonas LLP.

This report should be read as a whole so that no part may be taken out of context.

This report is not intended nor is it suitable for secured lending purposes or for assessing the suitability of the property for loan security by a third party.

We have not undertaken a visual inspection of the site.

We based our assessments on plans provided by the client undertaken as part of the master planning / planning process.

Any interpretation of legal documents and legal assumptions must be checked by the client's legal advisor. No responsibility or liability is accepted for the correct interpretation by Carter Jonas LLP of the legal position of the client or other parties or with regard to legal title. We have assumed the property is not subject to any unusual or especially onerous restrictions, encumbrances or outgoings and that good title can be shown. For the avoidance of doubt, these matters should be investigated by the client's legal representative. We have assumed that the property and its value would not be affected by any matters which would be revealed by a local search and replies to the usual inquiries, or by any statutory notice and neither the property, nor its condition, use, intended use are or would be unlawful.

In the event of values being provided in this report – they are done so on the basis of the site being made available with suitable planning consent and on assumed occupational terms. They are not values of the sites being traded as going concerns, which would be subject to a different method of valuation.

3.0 BACKGROUND & THE BRIEF

3.1 BACKGROUND

Land at Cambridge Road, Hardwick is a proposed new residential development by Hill Residential Ltd and Chivers Farms (Hardington) LLP.

The proposed development looks to provide up to 400 new homes, new retail, employment and community facilities, new public open space areas and significant improvements to Cambridge Road.

The scheme looks to include a new local centre, a mix of community and retail / employment opportunities and co-working office space.

At a preliminary planning committee meeting the Parish Council suggested that light industrial uses should also be incorporated on the scheme potentially at the new 'gateway' on St Neots Road.

Carter Jonas has been given the opportunity to assess the need to provide light industrial units and co-working office space in the development.

3.2 THE BRIEF

Carter Jonas has been commissioned to carry out a demand and need report focused on the light industrial / 'mid-tech' sector and the 'serviced office / co-working' sector. The report covers:

- General market commentary covering the industrial and office sectors.
- Comment on the location – connectivity / east west rail / context within other developments.
- Market availability – high level analysis of existing and proposed light industrial and serviced office spaces locally (say Hardwick plus 5 miles) and wider afield (say 15 miles).
- Market demand – high level analysis of take up within the sector across size brackets. Explore location of take up.
- Give recommendations as to the size of units to be created, the most appropriate location, associated amenities, specification of space to be created. Include examples of comparable schemes elsewhere. Advice to centre around the creation of space that is fit for purpose and that will be successfully let.

4.0 OVERVIEW OF THE PROPOSED DEVELOPMENT

4.1 SITE SETTING

Hardwick is a village and civil parish in the County of Cambridgeshire with a population of circa 2,670. The village lies immediately south of the A428 road between Cambridge and St Neots. It is located circa 6 miles west of the city of Cambridge and circa 50 miles north of London.

The site, which extends to approximately 66 acres (26.7 ha) gross, is strategically located to the south of St Neots Road off the A428.

Figure 1 – Site Location

4.2 WIDER LOCATION CONTEXT & CONNECTIVITY

Rail connections to Cambourne are also set to improve significantly given proposals associated with the new East West Rail connection between Oxford and Cambridge with a new rail line likely to include a train station at Cambourne.

Figure 2 – Route E – Preferred Route Option for East West Rail Line

Major road upgrades are underway on the existing A428 between the A1 Black Cat and Caxton Gibbet with the preferred route option now chosen. Replacing this remaining stretch of single carriageway between the two key economic hubs of Milton Keynes and Cambridge will significantly enhance connectivity to the wider regional and national road network and other national distribution routes (M1 / M11 / A1M) as well as links to the A14. It will also enhance connections into the Oxford and Cambridge Expressway.

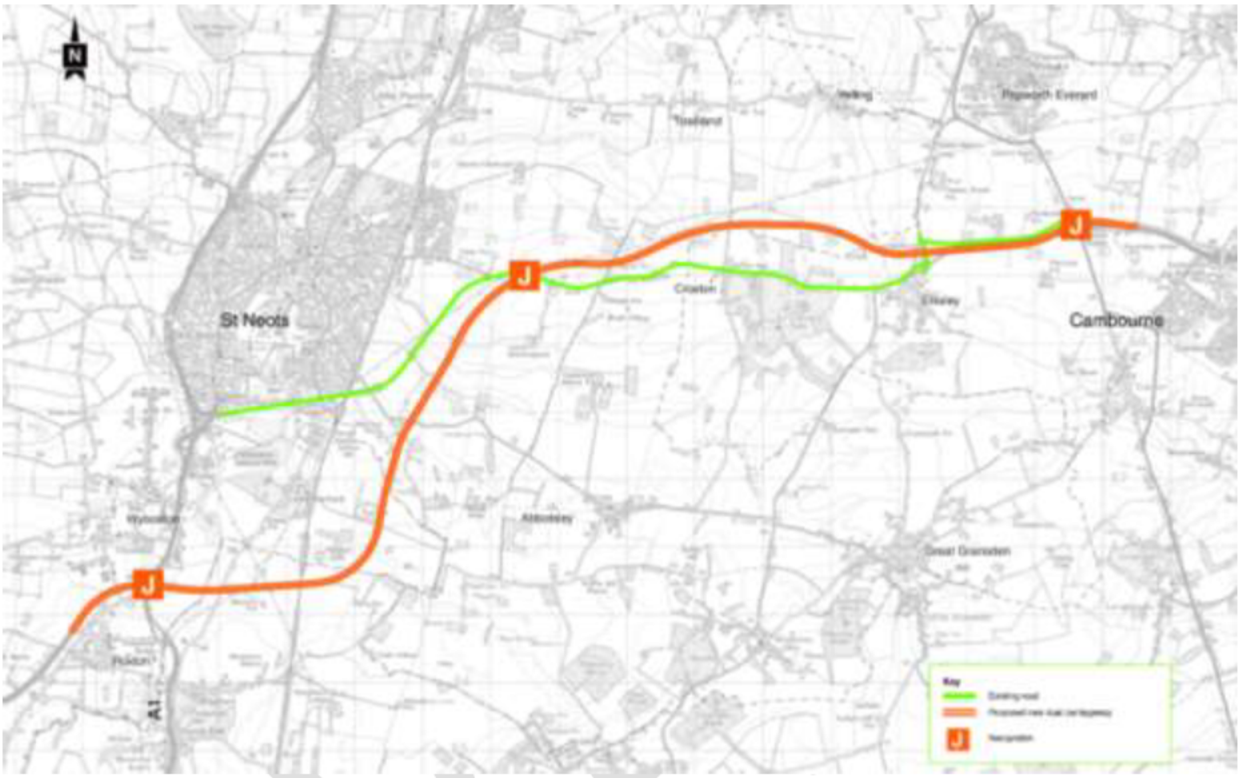

Figure 3 – Preferred Route Option Cambourne to St Neots

4.3 OVERVIEW OF THE PROPOSED DEVELOPMENT

Land at Cambridge Road, Hardwick is a proposed residential development by Hill Residential ltd and Chivers Farms (Hardington) LLP. The development site is located south of the A428 and 6 miles west of Cambridge.

Hill Residential are seeking an allocation for residential led mixed use development on the site in the emerging local plan.

The development looks to provide significant improvements to Cambridge Road, new retail employment and community facilities, up to 400 new homes and extensive areas of new public open space.

The development looks to provide new homes of a range of tenures and sizes with a large percentage being affordable. The houses will also be high performance low energy homes.

The aspiration is to include a new community 'heart' which could include a mobility hub, community spaces, café and retail space, healthcare facilities, day care facility, co-working hub, bike and car sharing schemes and new employment space.

Current traffic issues will be improved by creating a pedestrian and cycle friendly street, resolution of on street parking and traffic issues and dedicated car and cycle parking off Cambridge Road.

The development will create new open spaces including a new 7-hectare natural country parkland, 3km of new walking routes, 12 hectares of new open space, new community garden and allotments and up to 1.6 hectares of new sports pitches and facilities. The space will also be linked to Comberton greenway / cycleway and the wider footpath network.

1. Improved and extended village heart
2. New relief road
3. Alterations to Cambridge Road
4. Central multi-functional village green
5. New sports pitches
6. New Country park
7. Secondary gateway to the village

Figure 4 – Proposed Site Layout

5.0 MARKET REVIEW - LIGHT INDUSTRIAL / SELF-STORAGE

5.1 OVERVIEW OF INDUSTRIAL / WAREHOUSE MARKET SEARCH AREAS

Two searches have been undertaken.

The first is a 2-mile radius of Hardwick and similar village / settlements in Cambridgeshire with a circa 2,000 population. The following villages / settlements have been evaluated: Swavesey, Over, Cambourne, Stretham, Duxford, Comberton, Bassingbourn, Stilton, Manea, Bluntisham, Buckden, Impington and Gamlingay.

The second search area is looking at a 15-mile radius centred at Hardwick. It should be noted this search area includes Central Cambridge which will have an impact on the demand and rent statistics / trends.

5.2 INDUSTRIAL / WAREHOUSE MARKET SEARCH RESULTS

5.2.1 Search Results – Hardwick & Similar Scale Villages

Looking at other similar scale villages / settlements there are 160 existing industrial properties within 2-mile radiuses of these areas with only nine properties currently available to let. Across these areas the total inventory is 4.5 million sq. ft. The vacancy rate sits at 2% with 90,500 sq. ft. vacant - significantly lower than end of 2022. There are no buildings under construction.

Within 2 miles of Hardwick there are 11 existing units of which two are available to let. The total available space is 38,270 sq. ft. There are no units under construction within this search area.

The below table shows the unit size breakdown of the two units available to let.

Size Bracket (Sq. Ft.)	No. of Units	Total Space (Sq. Ft.)	Average Size (Sq. Ft.)
0 – 10,000	0	0	0
10,001 – 20,000	1	11,750	11,750
20,001 – 30,000	1	26,520	24,520
Total	**2**	**38,270**	

Table 1 – Breakdown of Available Industrial Units Within 2 Miles of Similar Villages / Settlements as Hardwick *(Source: CoStar)*

Figure 5 – Existing (Grey Markers) and Available (Blue Markers) Light Industrial Units Over 2 Mile Radius of Hardwick & Similar Scale Villages

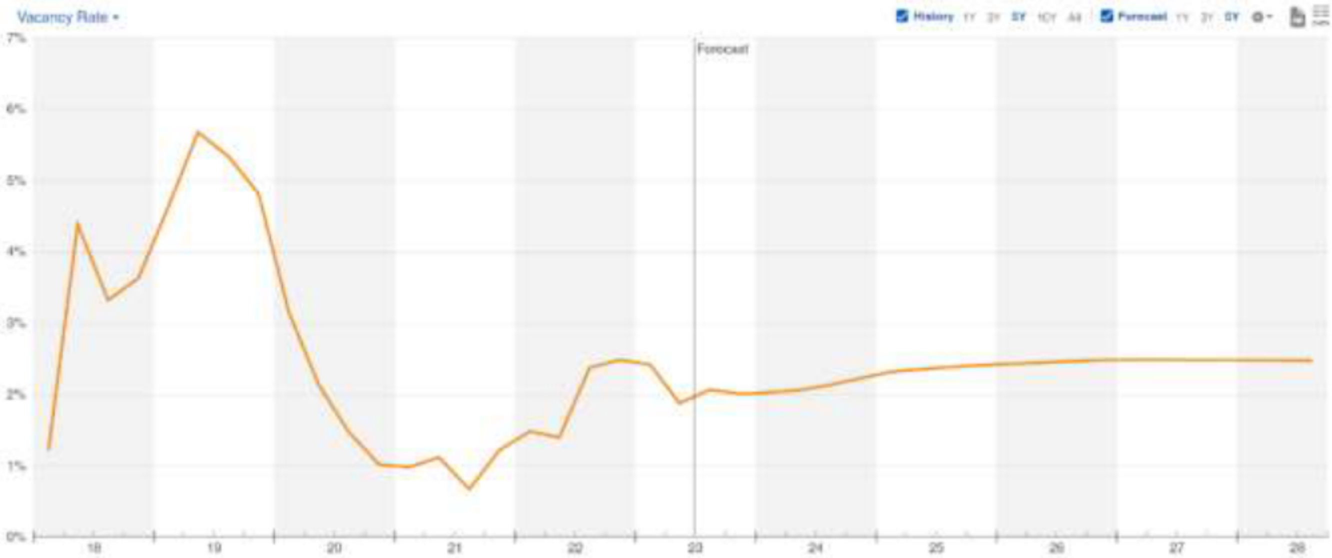

Chart 1 – Vacancy Rates Over 2 Mile Radius of Similar Scale Villages

Looking at villages / towns like Hardwick there are currently nine light industrial / industrial developments available (split into three light industrial and six industrial units). The quality of these vary significantly but do include some more modern examples including those shown below.

The two available units within two miles of Hardwick is Bourn Quarter units 1 and 4-6.

- **Units 1, 4 – 6 Bourn Quarter, Hardwick**

Built in 2022, two units are currently available for £7.00 - £9.00 per sq. ft. The available space ranges from 590 sq. ft. - 24,529 sq. ft.

Figure 6 – Bourn Quarter, Cambridge

- **Buckingway: Anderson Road, Buckingway Business Park**

Available for immediate occupation. Built in 2008 the unit spans to 11,944 sq. ft. Asking price at £10.88 per sq. ft.

Figure 7 – Anderson Road, Buckingway Business Park

- **Isleham: Isleham Business Park, Hall Barn Road, Ely**

Brand new build of 26 units ranging from 1,194 – 2,195 sq. ft. Available for occupation Jan 2024. Asking rent at £12.00 per sq. ft.

Figure 8 – Isleham Business Park, Hall Barn Road, Ely

- **Buckden: Tin Lid Units, Brampton Road, Buckden, St Neots, Cambs PE19 5UJ**

New development of 19 units including offices. Units range from 530 sq. ft – 2,650 sq. ft. Asking rent £12.00 per sq. ft.

Figure 9 – Tin Lid Units, Brampton Road, Buckden, St Neots

- **Evolution Business Park, Impington, Cambridgeshire CB24 9NG**

Second hand unit built in 1972. 13,830 sq. ft. available. Asking rent £16.99 per sq. ft.

Figure 10 – Evolution Business Park, Impington

5.2.1 Search Results - 15 Mile Radius

Across the 15-mile search area there is 26.6 million sq. ft. of existing space split over circa 1,044 properties. In addition, there is 253,000 sq. ft under construction. The vacancy rate is at 5.9% up 2.4% since Q3 2022. The total amount of vacant space is 1,573,486 sq. ft.

The average estimated build date for the existing accommodation is 1988 with 13% having been built since 2010 and just 6% after 2020, meaning there is a lack of new build stock.

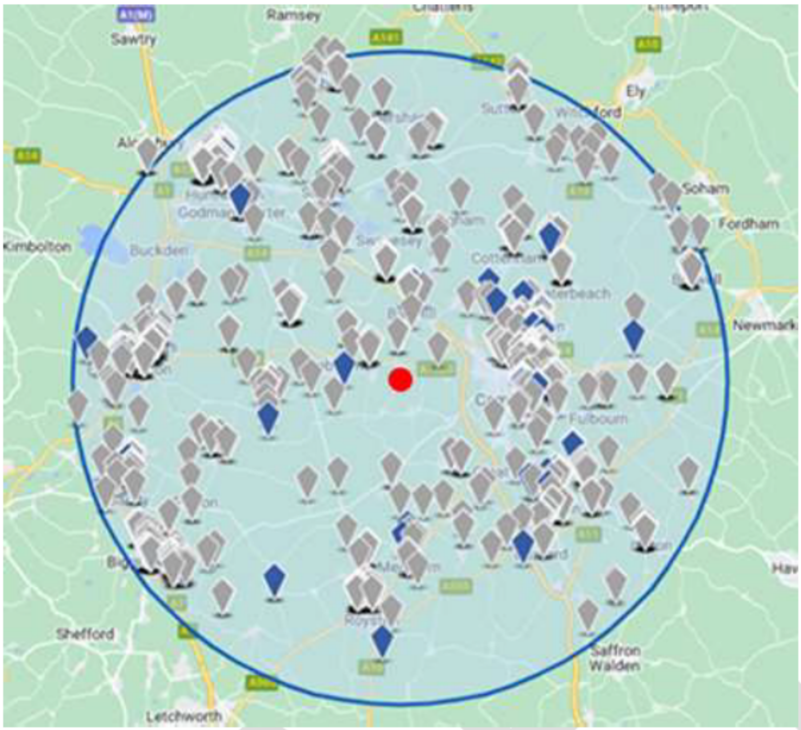

Figure 11 – Existing (Grey Markers) and Available (Blue Markers) Industrial Units - 15-mile radius

Over the 15-mile radius there are 84 industrial units available totalling 2.6 million sq. ft. These individual spaces range in size from 500 sq. ft to 274,951 sq. ft.

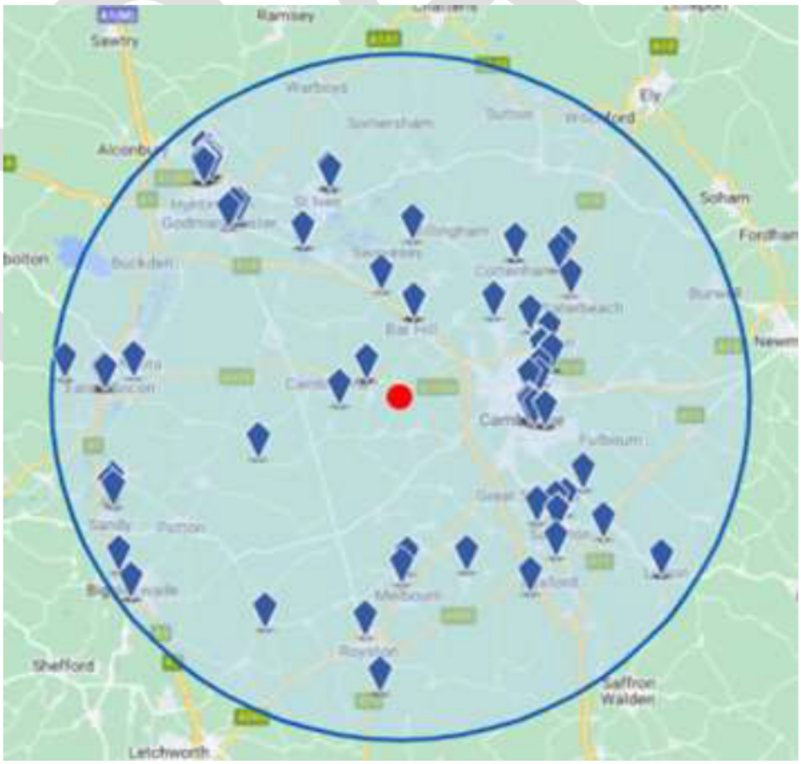

Figure 12 – Available Industrial Units within 15 Mile Radius *(Source: CoStar)*

The below table breaks down these available industrial spaces over the search area by size bracket. Equating to circa 1.63 million sq. ft of space in total. The average unit being 19,429 sq. ft.

Size Bracket (Sq. Ft.)	No. of Units	Total Space (Sq. Ft.)	Average Size (Sq. Ft.)
0 – 5,000	38	106,064	2,791
5,001 – 10,000	19	142,717	7,511
10,001 – 30,000	17	291,101	17,124
30,000 +	10	1,092,114	109,211
Total	**84**	**1,631,996**	

Table 2 – Breakdown of Available Industrial Properties Within 15 Mile Radius *(Source: CoStar)*

5.3 ASSESSMENT OF INDUSTRIAL / WAREHOUSE DEMAND

5.3.1 Search Results – Hardwick & Similar Scale Villages

Over the past five years there have been 37 leases recorded within the similar settlement / village search radius with a total of 484,590 sq. ft. let ranging in size from 586 sq. ft. to 56,430 sq. ft. The average deal size equated to 13,097 sq. ft. Most recently, 10,890 sq. ft. has been let at Bourn Quarter, Cambourne.

Within a 2-mile radius of Hardwick there has been six lease transactions in the last five years. All six transactions were over 5,000 sq. ft. and took place at Bourn Quarter, from May 2022 – August 2023. Bourn Quarter is a R&D / Life Sciences and Warehousing Business Park. The units were built in 2022 to a high standard with net zero carbon / energy saving initiatives.

Figure 13 – Location of Industrial Lettings within 2 Mile Radius of Hardwick & Similar Villages *(Source: CoStar)*

Figure 14 – Location of Industrial Lettings within 2 Mile Radius of Hardwick *(Source: CoStar)*

5.3.2 Search Results – 15 Mile Radius

Over the last five years, across the 15-mile search area there were 304 lease deals identified by CoStar ranging in size from 223 sq. ft. to 661,000 sq. ft. In total circa 4.7 million sq. ft. has been leased.

The average lease length was 8.5 years with the average months vacant being 8.9 months.

Figure 15 – Location of Industrial Lettings within 15 Mile Search Area *(Source: CoStar)*

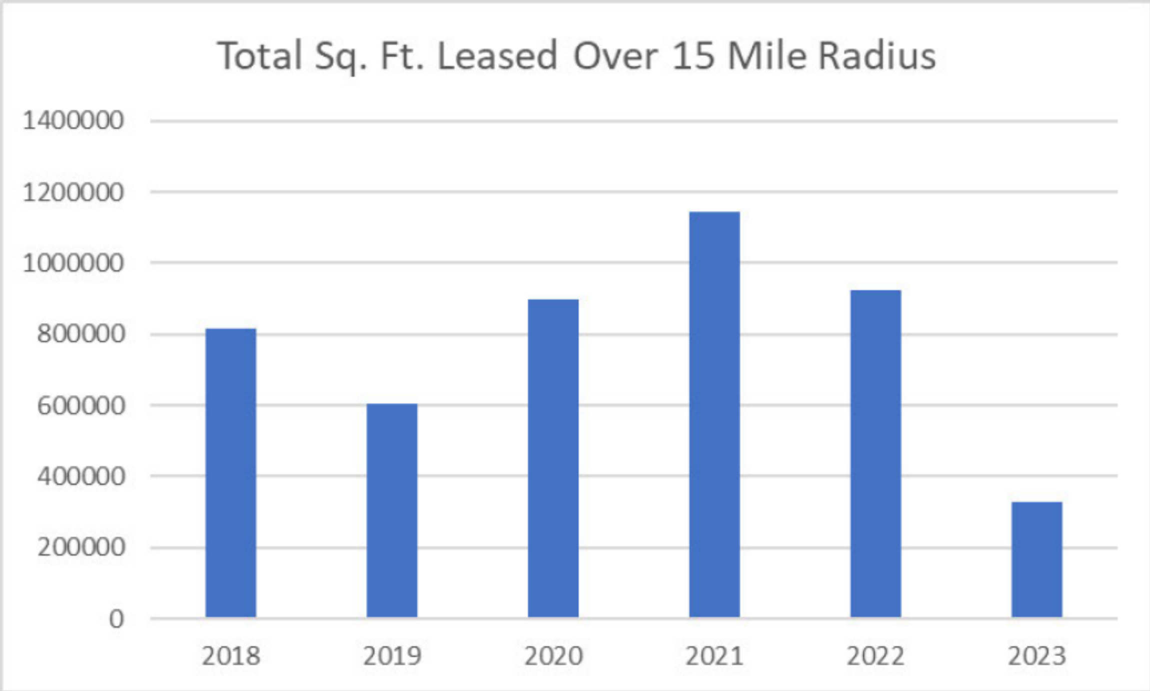

Chart 2 – Total Amount of Industrial Space Leased Within 15 Mile Radius – 5 Year Period *(Source: CoStar)*

Most deals have occurred in and around central Cambridge, Huntingdon, Royston and Biggleswade with the majority involving space at the lower end of the scale with 55% taking up to 5,000 per sq. ft. per letting.

Size Bracket (Sq. Ft.)	No. of Lettings	Total Space Leased (Sq. Ft.)	Average Size (Sq. Ft.)
0-5,000	167	396,314	2,373
5,001-10,000	62	413,259	6,665
10,001 - 15,000	27	329,927	12,220
15,001 – 20,000	9	151,740	18,860
20,001 – 25,000	9	200,092	22,232
25,000 +	30	3,227,399	

Table 3 – Light Industrial Lettings by Size Bracket Over 15 Mile Radius *(Source: CoStar)*

5.4 ASSESSMENT OF INDUSTRIAL / WAREHOUSE MARKET RENT

Over the search radius of two miles from the similar villages / settlements to Hardwick produced 37 letting transactions over the past five years. Of these 37 transactions, 13 have registered their achieved / effective rents. Over these transactions the average asking rent was £6.37 per sq. ft. and average achieved rental levels were £9.10 per sq. ft. The current market rent per sq. ft over these areas are £9.66 per sq. ft.

It should be noted that these achieved rental values are mostly from old second-hand stock. The most relevant comparables are Isleham Business Park, Hall Barn Road, Ely and Tin Lid Units, Brampton Road, Buckden, St Neots which are quoting £12.00 per sq. ft.

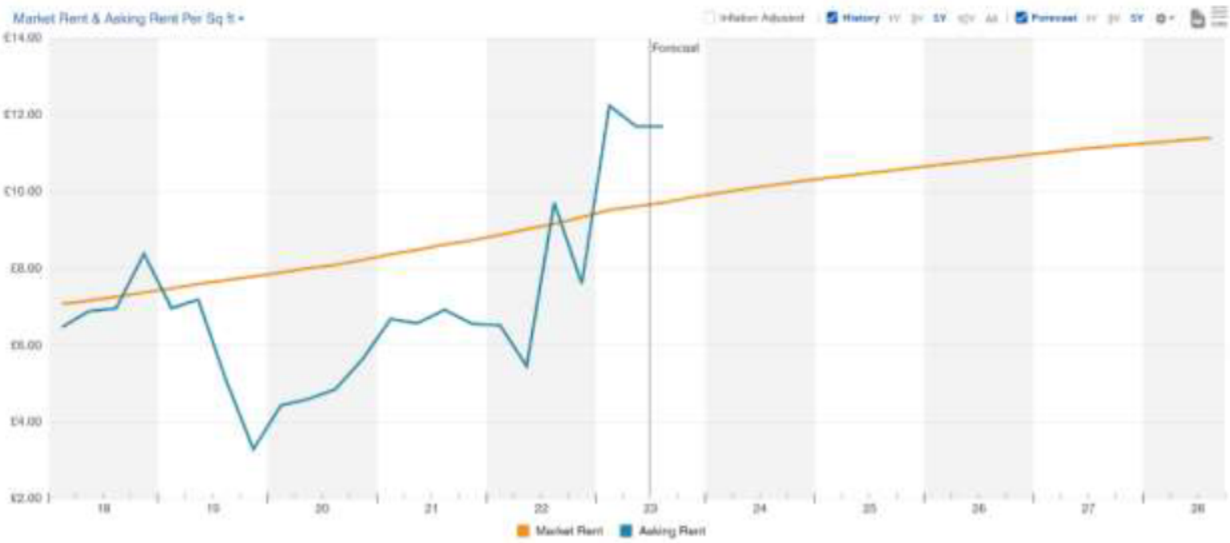

Chart 3 – Market Rent and Asking Rent Over 2 Mile Radius of Similar Villages. *(Source: CoStar)*

Over the 15-mile search area the market rent from 2013 – 2023 has averaged £7.02 per sq. ft. The current market rental value across this search is £9.27 per sq. ft. Achieved rental values are currently higher than asking rents. Asking rents were £8.57 per sq. ft. and achieved rents are £9.27 per sq. ft.

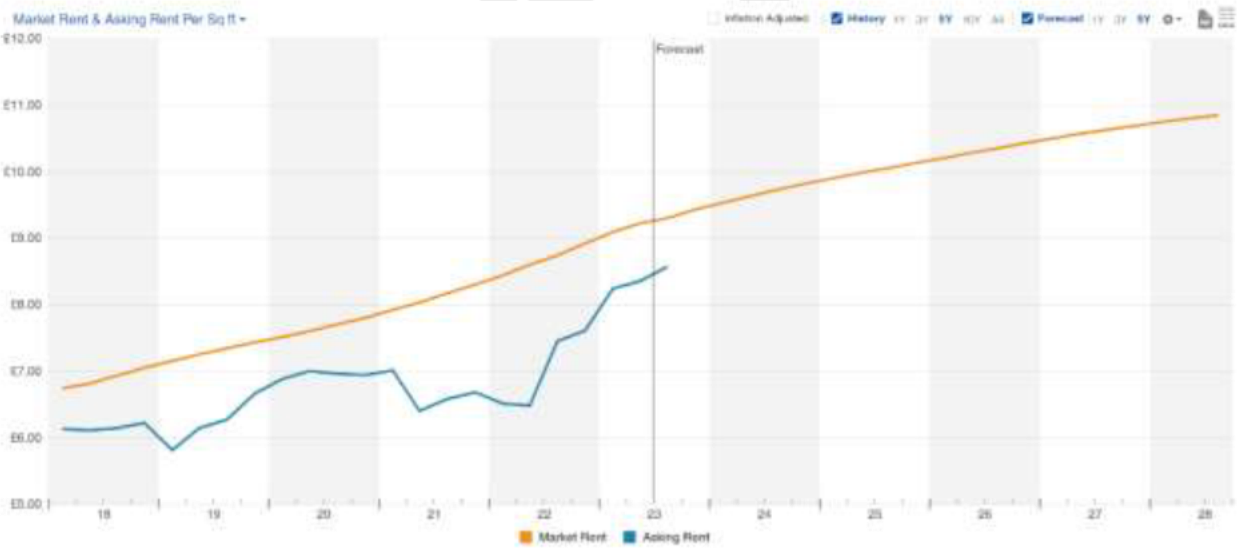

Chart 4 – Market Rent and Asking Rent Over 15 Mile Radius *(Source: CoStar)*

5.5 MID-TECH SECTOR & SELF-STORAGE SECTORS

Alternative angles for a commercial element within the site could be the mid-tech sector and/or self-storage sector.

Mid Tech

Mid-tech units or 'mixed purpose spaces' are a combination of product assembly / testing / manufacturing with a higher than standard proportion of office accommodation (typically 20-25% compared to 10% being the standard).

These spaces either have ground floor dedicated to assembly / production / testing type uses with a mezzanine floor for offices / laboratories / staff breakout areas etc. Alternatively, these uses can be accommodated all at ground floor level.

Including the ability to accommodate a mezzanine floor in the unit would help to accommodate demand from companies requiring this mix of uses.

Around Cambridge there have been several developments that have pursued this end occupier market – the closest being Bourn Quarter which is a Mid-tech development 2.5 miles west of the subject Site. Since its completion in March 2022, phase one at Bourn Quarter is now 90% occupied, following a series of lettings including to CRFS, Xampla and 4T Medical.

Phase two will have six more buildings ranging from 8,500 sq. ft. to 32,000 sq. ft.

The external appearance of a 'mid-tech' unit is akin to a standard light industrial / warehouse unit however typically include greater glazing over the front elevation due to the higher office element. Targeting this sector and designing the buildings to suit would work well in the context of a residential led scheme with the wider Cambridge area well suited to capture demand of this type.

Self-Storage

The self-storage sector is rapidly expanding with a range of storage solutions available ranging from shipping containers to drive to lock-up units and multi-level storage buildings of circa 30,000 – 40,000 sq. ft. each.

A large-scale multi-level self-storage building would not be deemed appropriate in this context nor would shipping containers however lock-up units would be suitable.

Operators such as Blue Bear Storage offer a drive to self-storage lock up units (akin to a garage) and typically require 0.5 – 2 acres. The business can either lease or buy a plot of land with the view of building and leasing the storage units on flexible terms.

Other self-storage operators also offer drive up self-storage units including Sure Store and Attic Self-Storage who offer these units with the locks controlled by an app. These can be used for business or personal storage. These storage units range from 15 sq. ft. to 200 sq. ft. each.

The inclusion of lock-up self-storage units could ease pressure on domestic garages within the residential element of the wider scheme for use by residents keeping them free for storage of cars and therefore keeping them off the street sides.

Although such a use would not create employment generating space, it could be used to compliment a light industrial / warehouse / mid-tech scheme.

Figure 16 – Example of Blue Bear Storage Drive Up Storage Lockers

Figure 17 – Example of Sure Store Drive Up Storage Locker

5.6 INDUSTRIAL / WAREHOUSE MARKET SUMMARY

As it has been assessed throughout Section 5, it has identified a lack of available light industrial units within the search areas.

Over the 2-mile radius of similar villages of Hardwick there are 147 existing industrial properties with only nine properties available to let. The vacancy rate sits at 2.2% with 83,300 sq. ft. vacant. The smallest building available is 850 sq. ft. at The Drift in Cambridge and the largest at Bourn Quarter with 24,520 sq. ft. It should be noted that most of the lease comparable across all three search areas are from second hand stock. As assessed in Section 5 the current asking values for Hall Barn Farm and Tin Lid are both asking for £12.00 per sq. ft.

37 lease deals have been recorded over this search area in the last five years. The average unit size was 13,097 sq. ft.

Of these letting transactions, 13 have registered achieved / effective rental values. The average asking price over the past five years was £6.37 per sq. ft. and achieved price £9.10 per sq. ft. The current market rent sits at £9.66 per sq. ft.

Most of these transactions were second hand stock. The most relevant new build comparables are Isleham Business Park, Hall Barn Road, Ely and Tin Lid Units, Brampton Road, Buckden, St Neots which are quoting £12.00 per sq. ft.

Across the 15-mile search area there are 1,044 existing properties totalling 26.6 million sq. ft. of industrial space. Of this stock there are 84 units available. The bulk of the units available are under 5,000 sq. ft. with 38 units. The vacancy rate is at 5.9%, up since Q3 2022. The average build date of this stock is 1988, with only 6% of the stock built after 2020.

304 lease deals have been recorded over this radius in the past 5 years. Most deals occurred at the lower end of the scale with 55% taking up to 5,000 per letting. The average lease length was 8.5 years.

Over this search area the average rental value average £7.02 per sq. ft. the current market rental value across this search was £9.27 per sq. ft. Achieved rental values are currently higher than asking rents by £0.7 per sq. ft.

6.0 MARKET REVIEW - OFFICE

6.1 OVERVIEW OF OFFICE MARKET SEARCH AREAS

Two search areas have been applied, the first being a 2-mile radius of Hardwick and similar village / settlements in Cambridgeshire with a circa 2,000 population. The following villages / settlements have been evaluated: Swavesey, Over, Cambourne, Stretham, Duxford, Comberton, Bassingbourn, Stilton, Manea, Bluntisham, Buckden, Impington and Gamlingay.

The second is a 15-mile search radius centred at Hardwick. As in Section 5, this search area includes Central Cambridge, which has a different market dynamic to the villages that surround it which needs to be considered when evaluating the comparable evidence.

6.1.1 Search Results - Similar Scale Villages

Applying the 2-mile radius from similar sized villages to Hardwick there are 213 existing office suites ranging from 595 sq. ft. to 330,818 sq. ft. The total inventory is 3.9 million sq. ft.

Of the 3.9 million sq. ft. of existing office properties, there are 43 office properties available and, on the market, totalling 244,000 sq. ft. The availability rate is down at 6.3%. The current vacancy rate is down to 3.4% with 132,000 sq. ft. of vacant office space.

Looking specifically within a 2-mile radius of Hardwick - there are 23 office suites in this area ranging from 934 sq. ft. – 12,600 sq. ft. In total there is circa 100,000 sq. ft of existing office space. The vacancy rate is at 4.8% with 4,800 sq. ft. vacant.

Of the 23 offices within 2 miles of Hardwick there are currently nine office suites available offering a total of 20,100 sq. ft. The quality of the space ranges from small office space of 934 sq. ft. built in 1950 to the new build accommodation at Bourn Quarter. The breakdown of office space is as follows with most of this space located at The Mount High Street and Church Barn on Church Road in Toft.

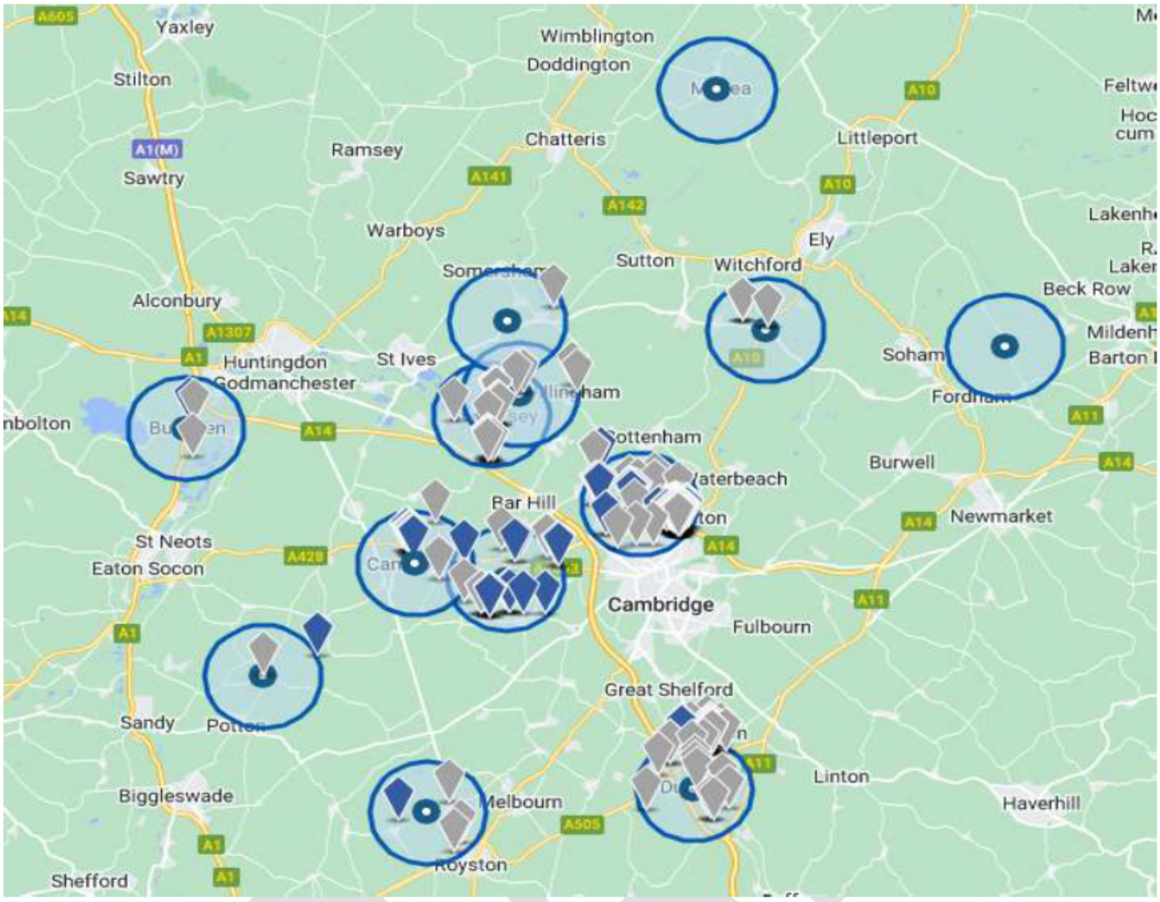

Figure 18 – Existing (Grey Markers) and Available (Blue Markers) Within 2 Mile Radiuses of Similar Villages
(Source: CoStar)

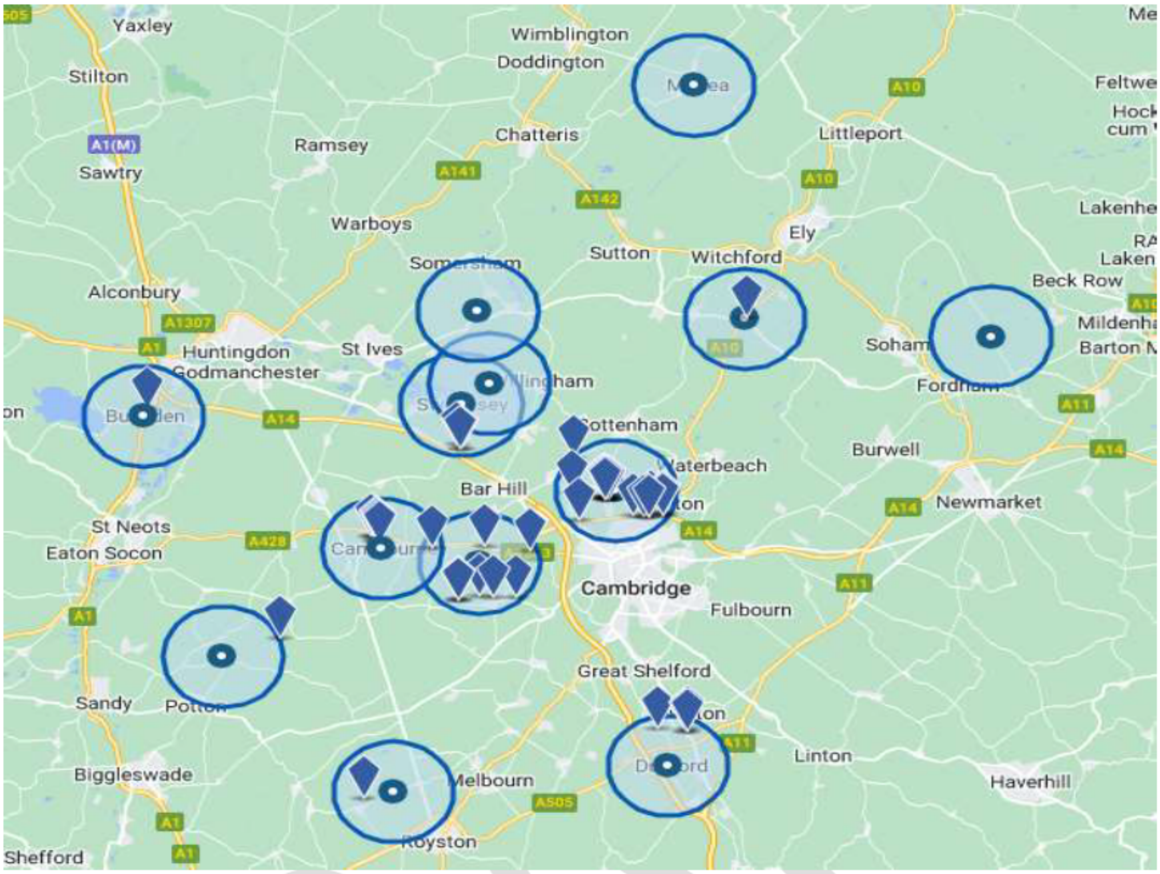

Figure 19 – Available Offices Within 2 Mile Radius of Similar Villages *(Source: CoStar)*

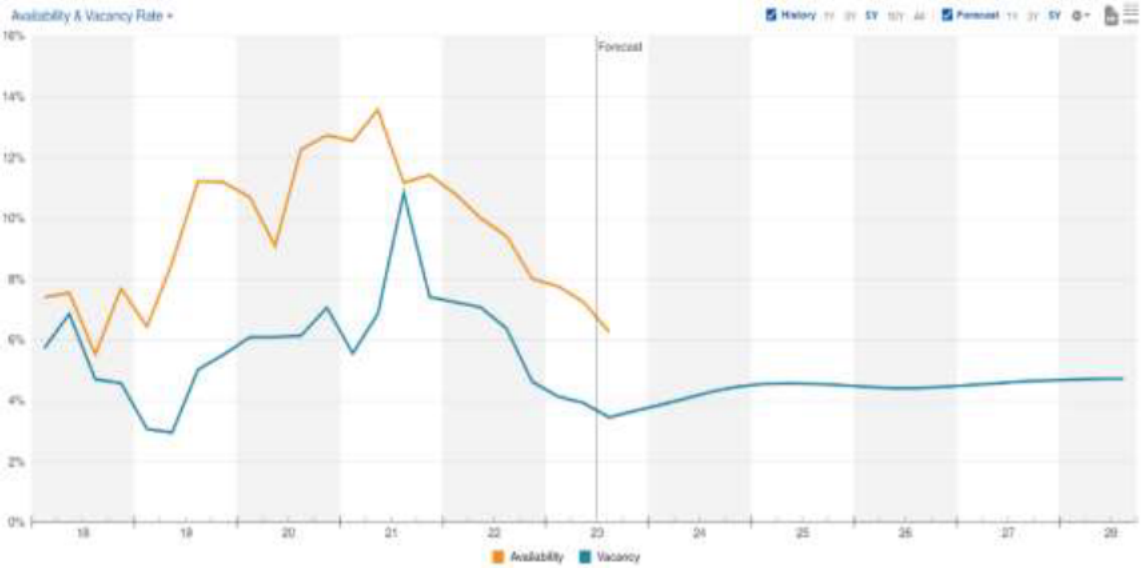

Chart 5 – Office Availability & Vacancy Rate Within 2 Mile Radius of Similar Villages *(Source: CoStar)*

Outlined below is a selection of available, small scale, office properties located within the comparable villages assessed.

Madingly Road, Crome Lea Business Park: Built in 2003 this building offers 2,164 sq. ft. with an asking rent of £22.64 per sq. ft.

Figure 20 – Madingly Road, Come Lea Business Park – Existing (Source: CoStar)

17 High Street, Scutches Barn, Whittlesford Cambridge: 1,015 available in a 4,282 sq. ft. building. Asking rent is £19.70 per sq. ft.

Figure 21 – Scutches barn, Whittlesford Cambridge: Existing (Source: CoStar)

Church Barn, Church Barn Road, Comberton: Located circa 2 miles from the site, this office, built in 2000, offers 1,418 sq. ft. of available space for £18.00 - £22.00 per sq. ft.

Figure 22 – Church Barn, Church Road, Comerton – Existing (Source: CoStar)

Fullers Hall, Fullers Hill Farm, Sandy: Built in 1840 there's 1,443 sq. ft. available. The asking rent is £15.25 per sq. ft.

Figure 23 – Fullers Hall, Fullers Hill Farm, Sandy: Existing *(Source: CoStar)*

Within this search area, there are two proposed office properties including Dirac Building, St John's Innovation Park, Cambridge (85,000 sq. ft.) and Building 4010, Cambourne Business Park (50,000 sq. ft.). These buildings are significantly larger than is envisaged for inclusion at the site.

There is one 95,000 sq. ft. office under construction within the search area – Phase 2 of Unity Campus, Sawston.

Figure 24 – Dirac Building, St Johns Innovation Park: Proposed *(Source: CoStar)*

Figure 25 – Building 4010, Cambourne Road: Proposed *(Source: CoStar)*

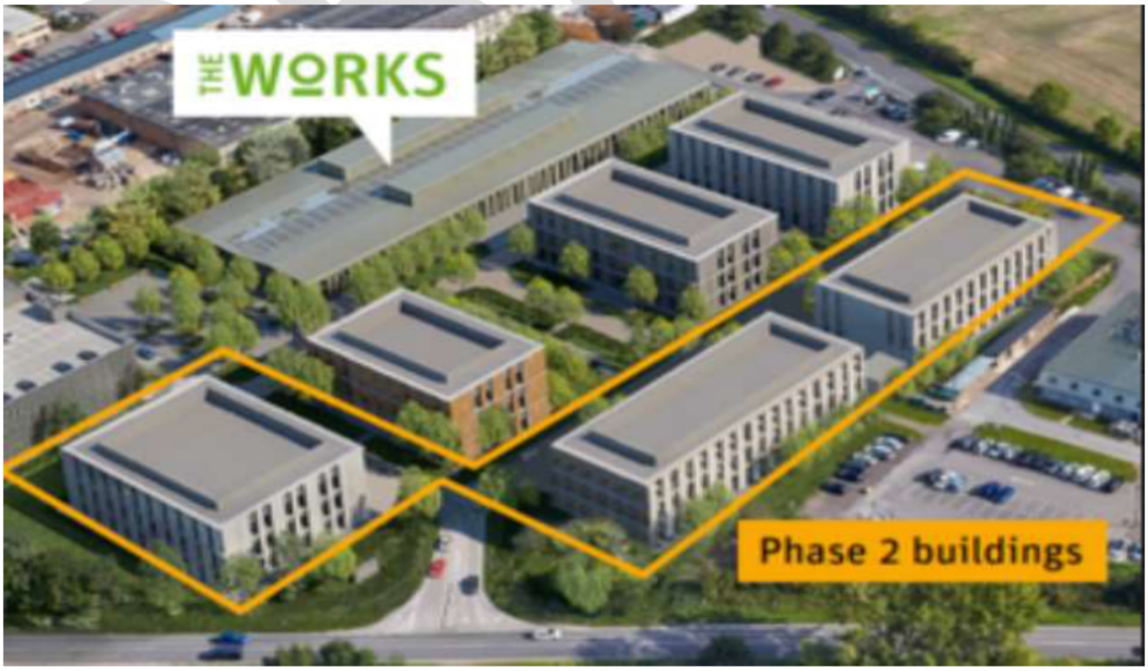

Figure 26 – Unity Campus, Phase 2, London Road - Under Construction *(Source: CoStar)*

5.1.2 Search Results – 15 Mile Radius

Across the 15-mile search area there are 1,217 existing office properties. However, for the purpose of this report, we have capped the search at offices over this wider search area to those that are 10,000 sq. ft. and below. Under this search criteria there is 2.8 million sq. ft. of existing office space spread over 821 existing properties of which there are 85 properties available to let (offering less than 10,000 sq. ft. in total).

There are 2 proposed properties and 1 property under construction (located in central Cambridge).

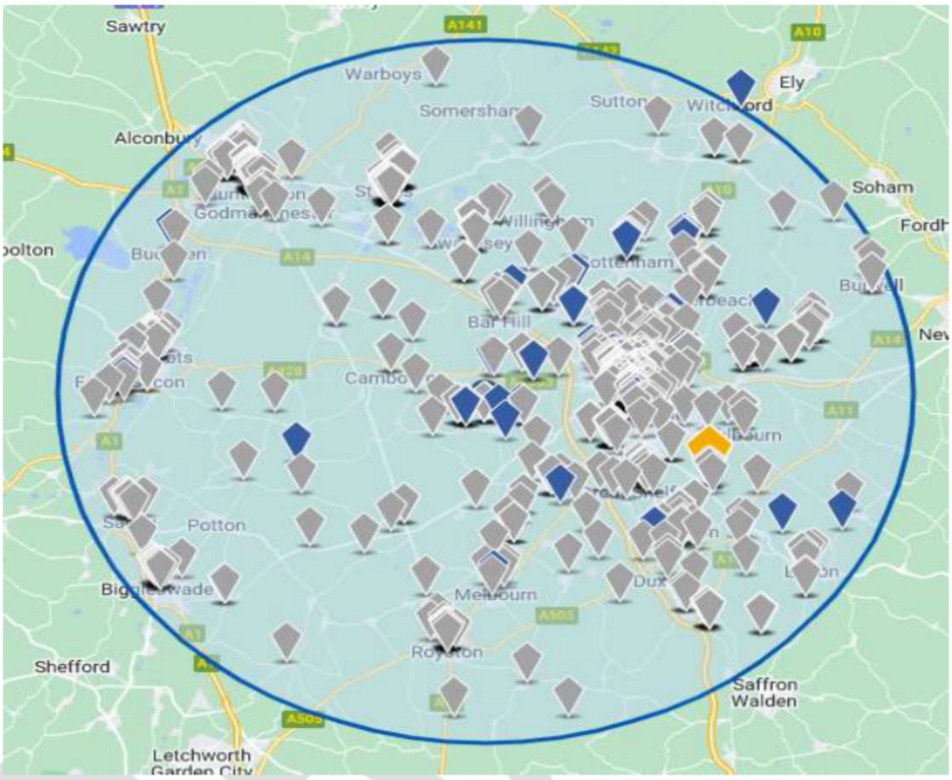

Figure 27 – Existing & Available Office Properties Within 15 Mile Radius *(Source: CoStar)*

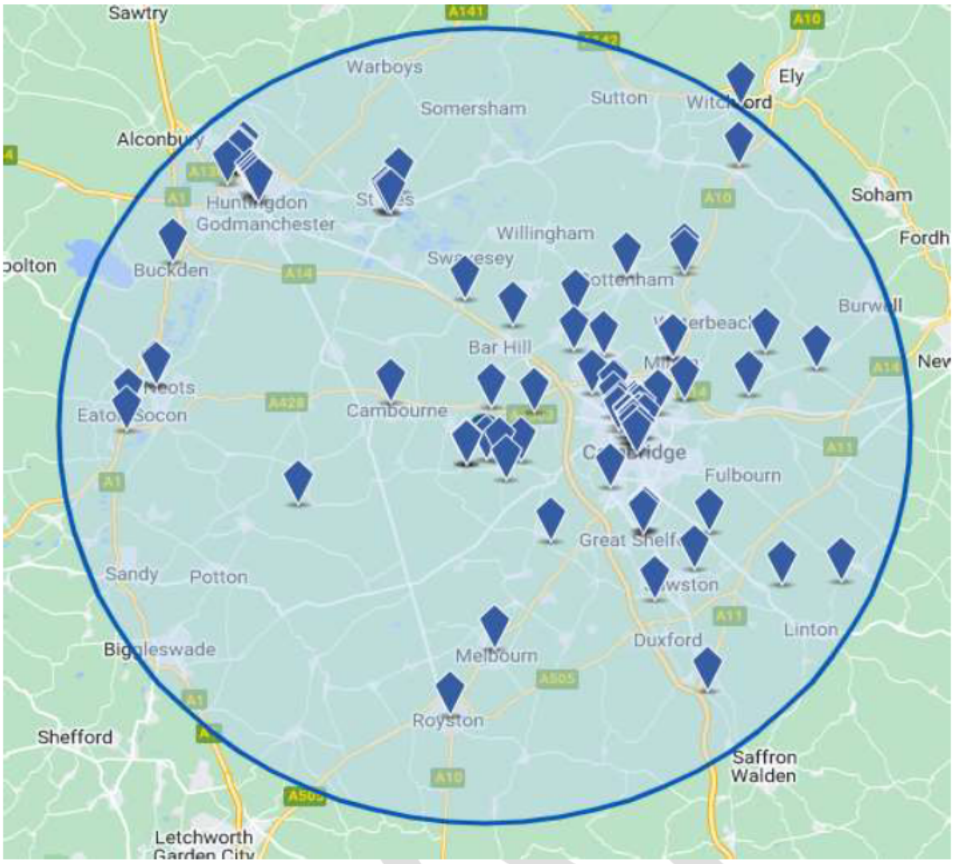

Figure 28 – Available Office Accommodation Within 15 Mile Radius *(Source: CoStar)*

The average estimated build date for the existing accommodation is 1949 with only circa 3.8% having been built since 2010 and 0.88% after 2020. This highlights the fact that most of the comparable office spaces are dated with limited new accommodation to accommodate demand.

The below table breaks down these available office spaces over the search area by size bracket. There are 85 office suits available under 10,000 sq. ft. with circa 60% of the stock offering less than 2,000 sq. ft.

Size Bracket (Sq. Ft.)	No. of Spaces	Total Space (Sq. Ft.)	Average Size (Sq. Ft.)
1 – 1,000	25	16,619	665
1,001 – 2,000	26	34,920	1,343
2,001 - 3,000	13	30,375	2,337
3,001 – 4,000	13	43,616	3,355
4,001 - 5,000	4	17,737	4,434
5,001 - 10,000	4	31,932	7,983
TOTAL	**85**	**175,199**	**3,353**

Table 4 – Breakdown of Available Office Space by Size Within 15 Mile Radius

The amount of available office space has risen from 135,831 sq. ft (4.78%) in Q1 2018 to 185,539 sq. ft. (6,53%) by Q3 2023. The vacant office space has risen from 79,401 sq. ft. (2.8%) in Q1 2018 to 109,485 sq. ft. (3.88%) by Q3 2023. This may be due to a 21.4% increase in construction from 6,800 sq. ft. To 8,200 sq. ft. coming to the market.

There are no proposed new office buildings under 10,000 sq. ft. in the 15-mile radius.

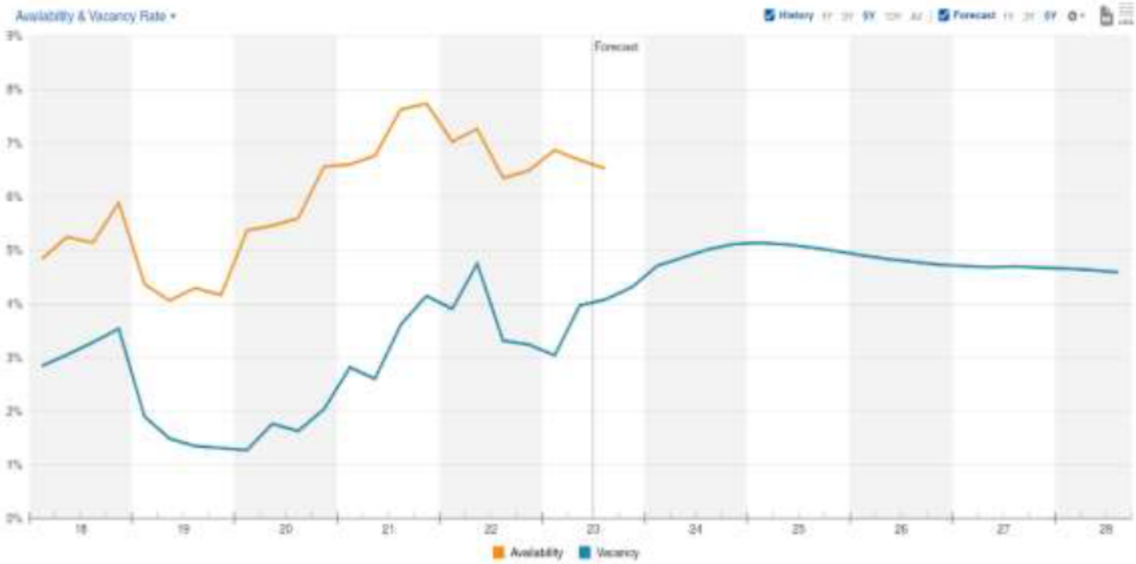

Chart 6 – Office Availability & Vacancy Rates Within 15 Mile Radius *(Source: CoStar)*

6.2 ASSESSMENT OF OFFICE DEMAND

6.2.1 Search Results – 15 Mile Radius

Across the 15-mile search area there were circa 216 lease deals with achieved rent in the last five years ranging in size from 146 sq. ft. to 118,000 sq. ft. In total circa 1.62m sq. ft. has been leased over this period.

Focusing in on office letting of 10,000 sq. ft. and below - there have been 180 lettings with 443,118 sq. ft. leased. The average deal size was 2,507 sq. ft. The majority of take up has been in central Cambridge (and immediate surrounds) however there are deals occurring in the regional villages / towns.

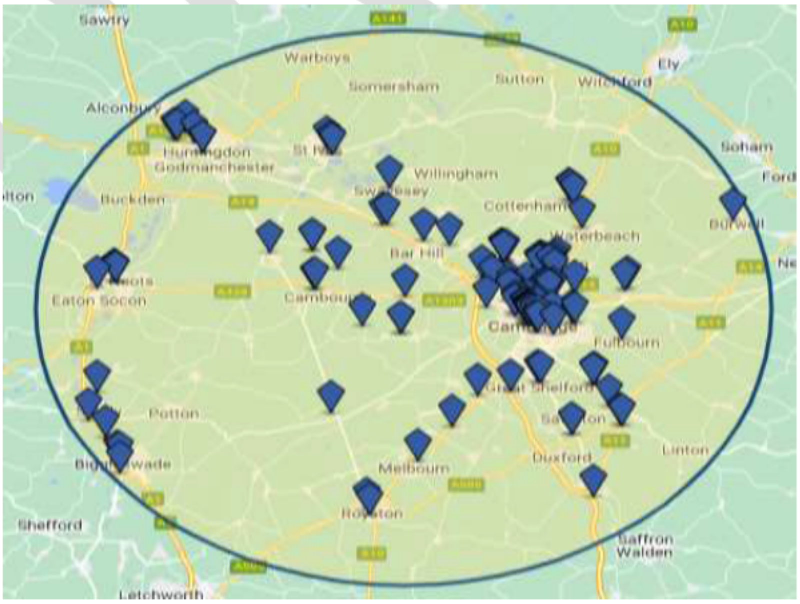

Figure 29 – Location of Office Lettings Within 15 Mile Radius *(Source: CoStar)*

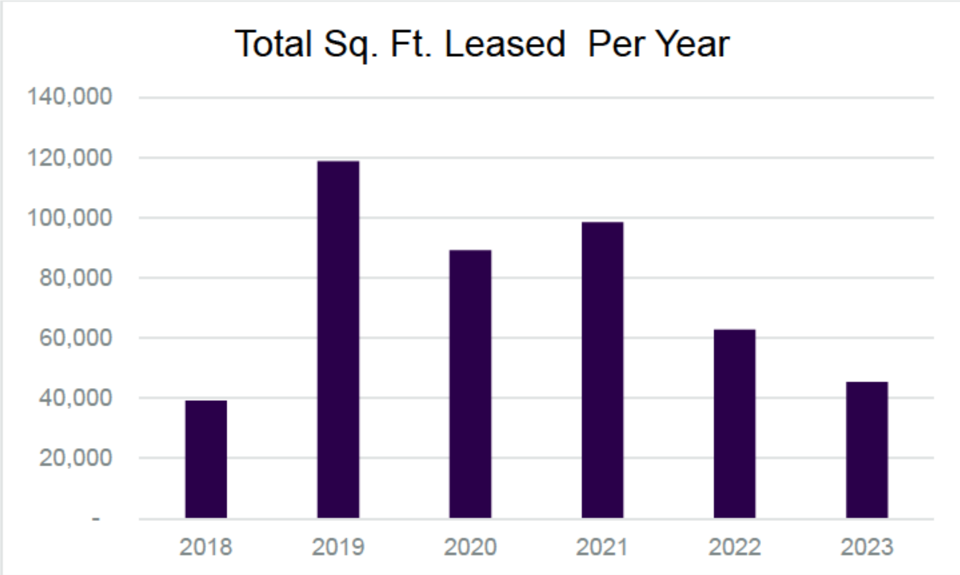

Chart 7 – Total Amount of Office Space Leased Within 15 Mile Radius – 5 Year Period *(Source: CoStar)*

There was a sizeable number of deals within the 1 – 1,000 sq. ft. bracket with 68 deals recorded.

Where stated, the average lease term agreed is 6.39 years with 54.5% of lettings taking five-year leases or less.

Size Bracket (Sq. Ft.)	No. of Lettings	Total Space Leased (Sq. Ft.)	Average Size (Sq. Ft.)
1 - 1,000	68	36,313	534
1,000 – 2,000	31	48,315	1,559
2,001 – 3,000	24	58,497	2,437
3,001 – 4,000	21	77,083	3,671
4,001 – 5,000	9	40,197	4,466
5,001 – 6,000	10	53,749	5,375
6,001 – 7,000	3	19,574	6,525
7,001 – 8,000	5	37,679	7536
8,001 – 9,000	3	25,155	8,385
9,001 – 10,000	5	46,556	9,311
TOTAL	180	443,118	2,507

Table 5 – Office Lettings by Size Bracket Within 15 Mile Radius *(Source: CoStar)*

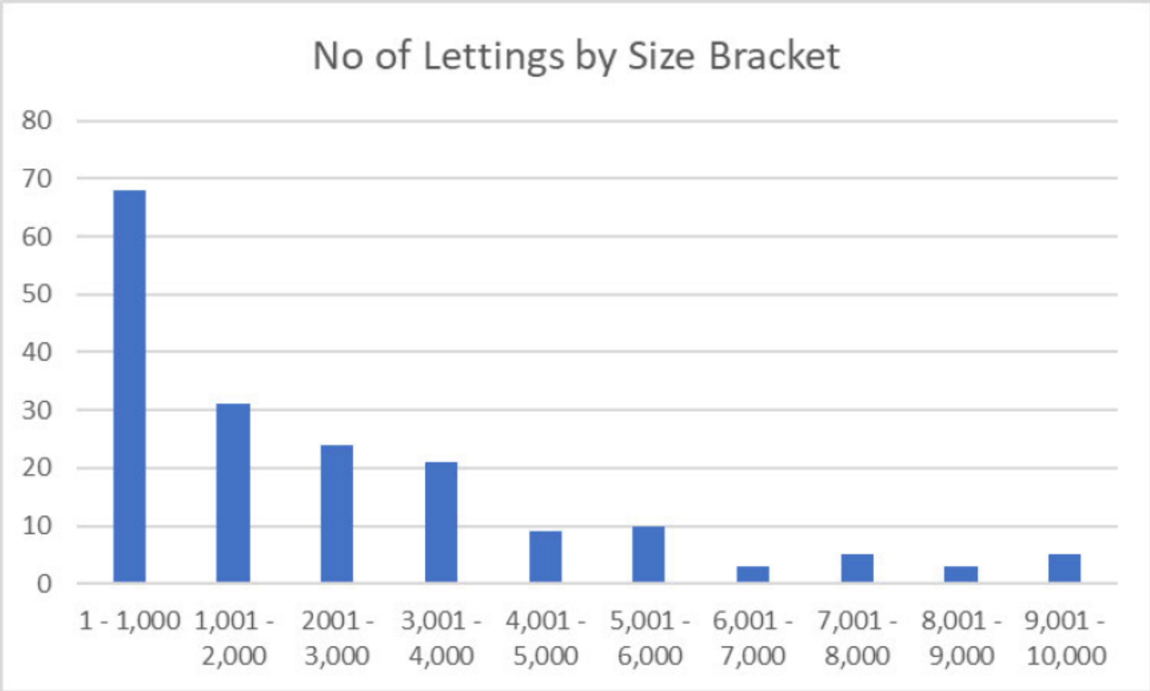

Chart 8 – Number of Leasehold Deals Done Within 15 Mile Radius *(Source: CoStar)*

6.2.2 Search Results - Similar Scale Villages

Looking at villages and settlements - there were 65 office lettings in the last five years with a disclosed achieved rent. The sizes ranged from 159 sq. ft. to 59,205 sq. ft. totalling 569,705 sq. ft leased in this period.

There are 50 leases recorded with an achieved rent involving offices of less than 10,000 sq. ft.

Most deals occurred in Impington, Cambourne, Comberton and Swavesey. There have been 15 office lettings around Hardwick in the last 5 years. Ranging in size from 308 sq. ft. to 2,346 sq. ft. 13 of the 15 transactions were under 2,000 sq. ft. The most recent transaction was January 2023 where 775 sq. ft. was leased to Ask IT Solutions. The condition of the building let was average and built in 1979.

There has been a noticeable decline in the amount of office space leased since a peak in 2019 – likely linked to the Covid-19 Pandemic, restrictions on office working over this time and the rise of home working.

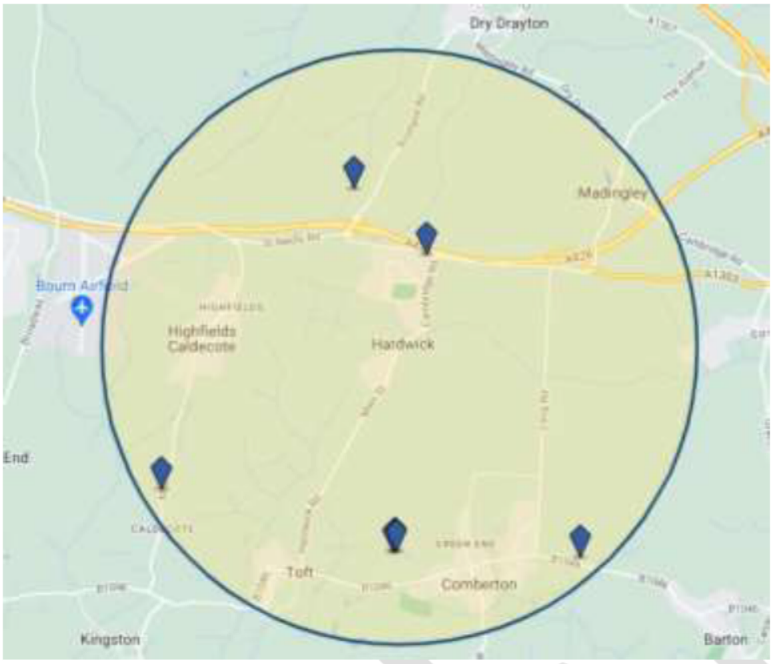

Figure 30 – Office Leasehold Deals Within 2 Mile Radius of Hardwick *(Source: CoStar)*

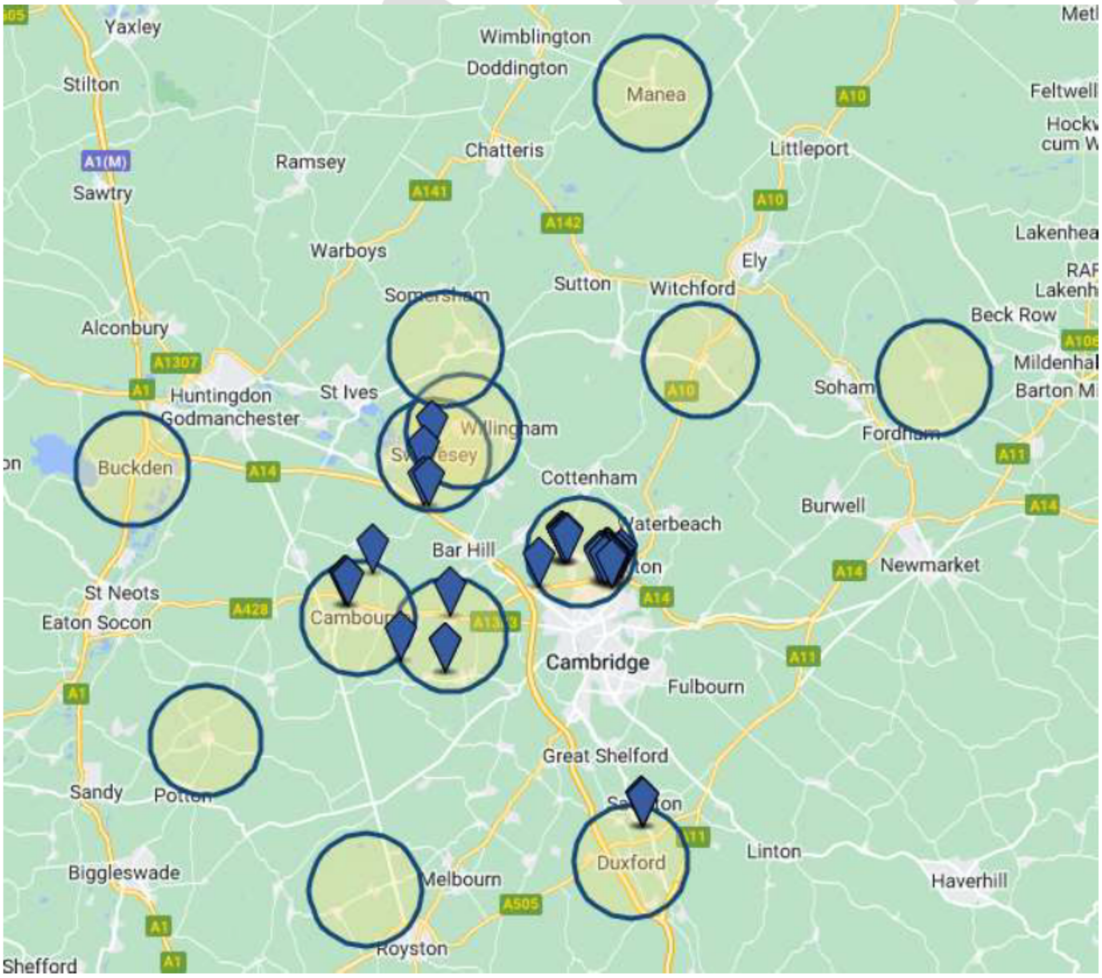

Figure 31 – Office Leasehold Deals Within 2 Mile Radius of Similar Villages *(Source: CoStar)*

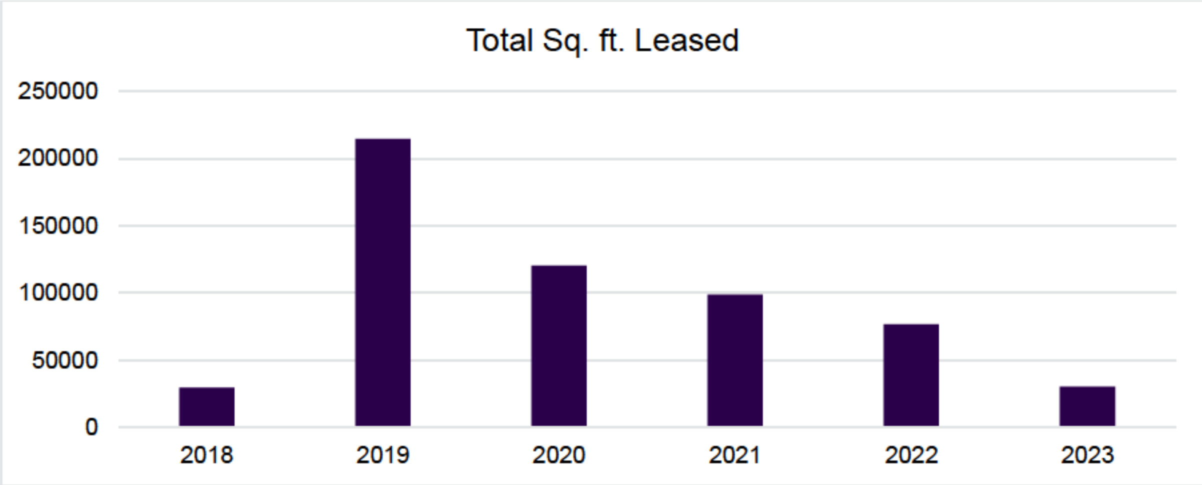

Chart 9 – Total Amount of Office Space Leased Over 5 Year Period Within 2 Mile Radius of Similar Villages *(Source: CoStar)*

Most office lettings that have occurred over the similar scale villages to Hardwick were under 1,000 sq. ft. with 19 deals recorded.

Size Bracket (Sq. Ft.)	No. of Lettings	Total Space Leased (Sq. Ft.)	Average Size (Sq. Ft.)
0-1,000	19	10,907	574
1,001 - 2,000	5	8,932	1,786
2,001 – 3,000	5	9,447	2,369
3,100 - 4,000	8	30,047	3,756
4,001 – 5,000	4	18,117	4,529
5,001 – 10,000	9	62,331	6,926
Total	**50**	**139,781**	

Table 6 – Office Lettings by Size Bracket Within 2 Mile Radius of Similar Villages *(Source: CoStar)*

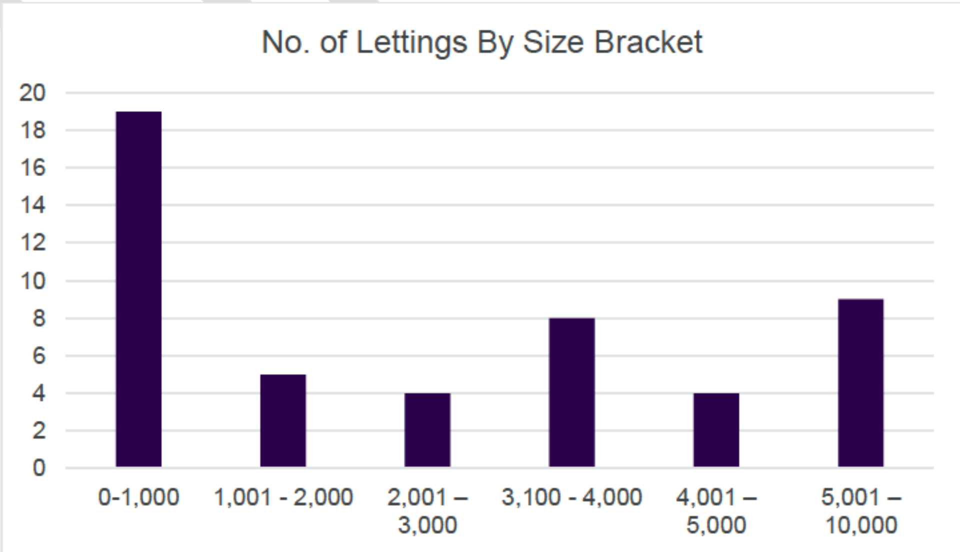

Chart 10 – Number of Leasehold Deals Done Within 2 Mile Radius of Similar Villages *(Source: CoStar)*

6.3 ASSESSMENT OF OFFICE RENT

6.3.1 Search Results – 15 Mile Radius

Over the 15-mile search area looking at properties under 10,000 sq. ft. the market rent has ranged from £6.85 per sq. ft. in 2021 for space in Biggleswade to £62.41 sq. ft. in 2022 in Cambridge. £62.41 was achieved for the Merrifield Centre by Nanna Therapeutics for an Office and Laboratory divisional HQ. Nanna Therapeutics have taken 4,212 sq. ft. on a 10-year lease for 4,212 sq. ft with 9 months' rent free.

6.3.2 Search Results - Similar Scale Villages

Office properties under 10,000 sq. ft. in similar towns to Hardwick with a 2,000 people population in the Cambridge area has also been evaluated.

Over these regional villages, the average rental value over the past five years is £20.97 per sq. ft. ranging from £10.13 per sq. ft. for 4,208 sq. ft. in 2022 to £50.00 per sq. ft. for 366 sq. ft. in December 2021 at Cambridge Science Park. Also at Cambridge Science Park, in January 2021 159 sq. ft. and 191 sq. ft. was let for £50.00 per sq. ft. to CamsTech Limited and ArQit Limited. The average office rent achieved is £27.74 per sq. ft.

Asking prices for the available office space in keeping with the style of offices proposed at the site range from £15.25 per sq. ft. at Fullers Hall to £22.64 per sq. ft. at Madingly Road.

For the most part, the levels of rents achieved are representative of second-hand office accommodation in the search area, with the most recent building built in 2019, the second in 2013 and the rest before 2010.

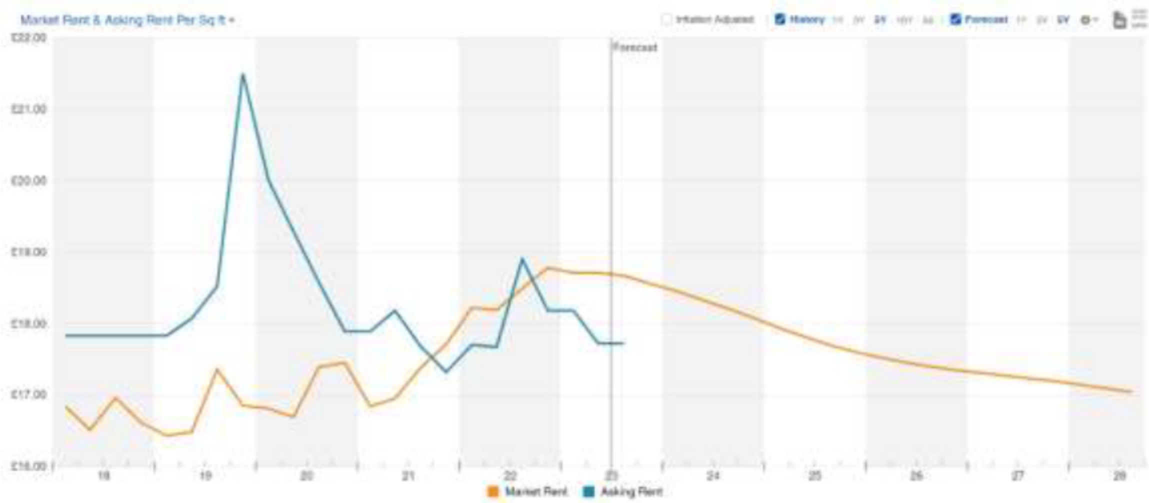

Chart 11 – Office Lettings in Similar Sizes Villages by Market Rent and Asking Rent *(Source: CoStar)*

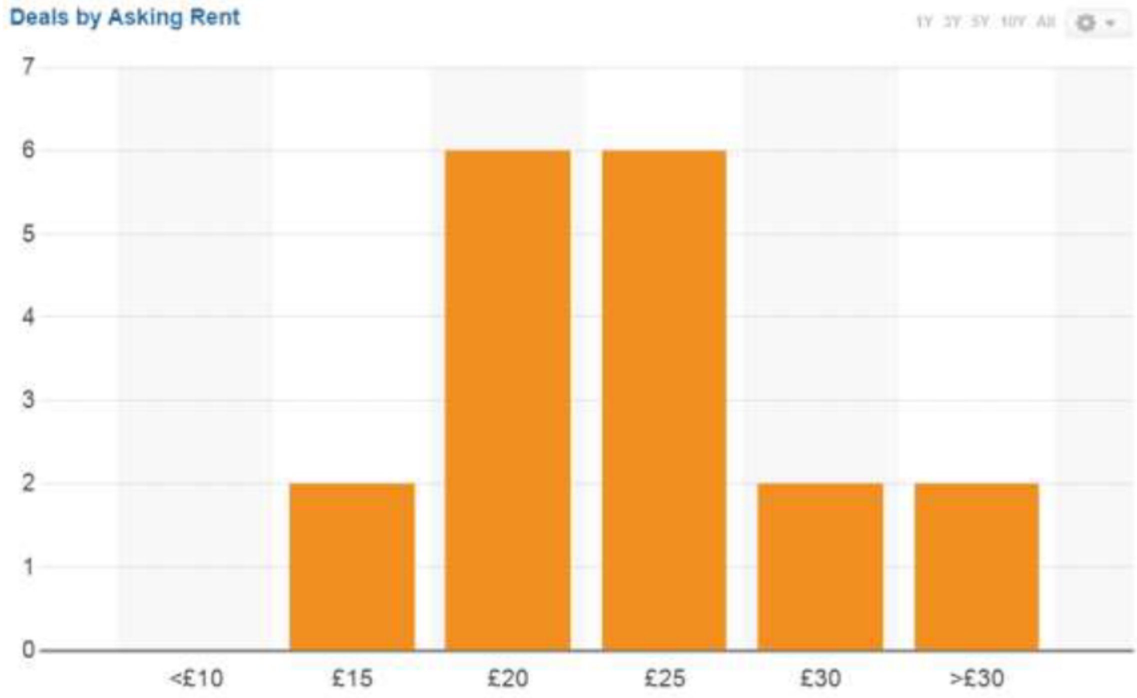

Chart 12 – Deals by Asking Rent – Similar Villages Search Area *(Source: CoStar)*

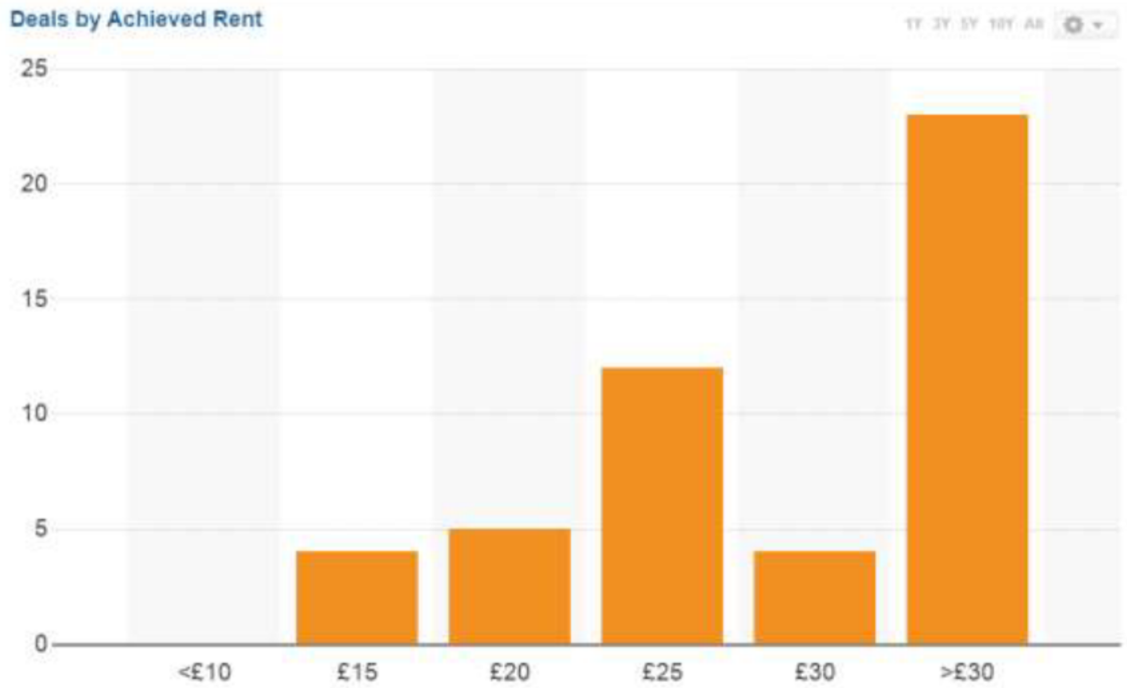

Chart 13 – Deals by Achieved Rent – Similar Villages Search Area *(Source: CoStar)*

6.4 SERVICED OFFICE & CO-WORKING SECTOR

Serviced offices are typically fully equipped and managed by a facility management company. The spaces offered range from the provision of individual hot desks in communal working areas to private office suites. Occasionally, whole floors are set aside for larger lettings however this is less common.

Services offered vary from centre to centre however can include additional business support services in addition to basic office functions e.g. receptionist / postal handling / meeting room bookings etc.

The flexibility and ease of entry and exit are key attractors for occupiers of serviced office space. Serviced office letting agreements will typically be on a license agreement of no more than 12 months (to avoid granting securing of tenure) and can often be terminated with just one months' notice or less, depending upon the length of agreement.

This flexibility to vacate also makes the sector particularly vulnerable during a downturn as businesses can quickly reduce their property footprint. The serviced office sector's bias towards smaller firms or startups adds to its vulnerability, as this market segment tends to be more vulnerable during a downturn.

Many occupiers of conventional office space were placing an increasing emphasis on employee wellness before the COVID-19 crisis, for example by providing more circulation space with the right environment for creativity, collaboration and staff wellness. This is increasingly being seen as a positive for staff recruitment, productivity and retention, as well as meeting a range of ESG and efficiency criteria. Even without the Covid-19 crisis, the serviced office sector would probably have had to adapt its offer, based on a reduced occupancy density to meet the emerging operational demands of occupiers.

Most of the competing serviced offices are in Central Cambridge, or central towns such as Huntingdon, Ely, St Neots and Biggleswade. There are a few out of these central locations such as Regus in Cambourne, Flexioffices in Elsworth and the Officers' Mess in Duxford.

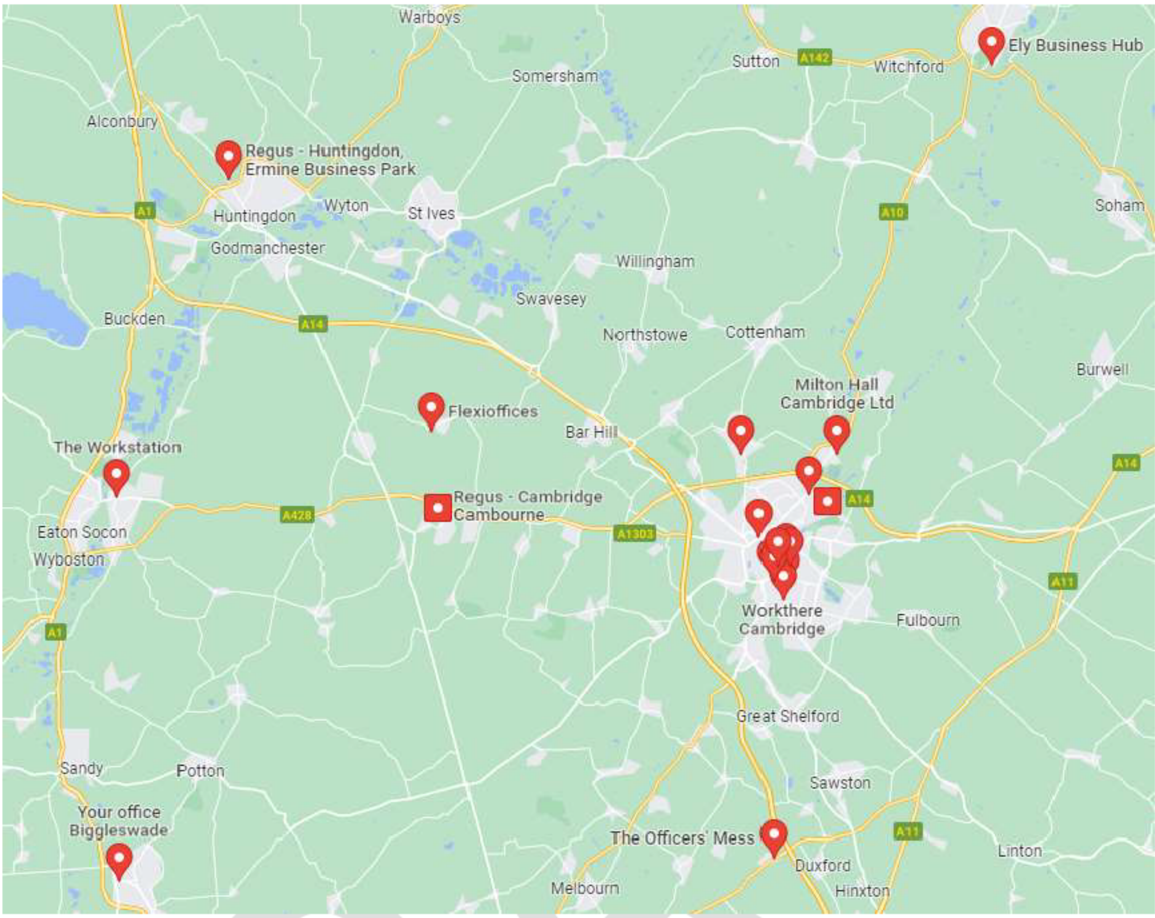

Figure 32 – Existing Serviced offices within 15 miles of Hardwick.

Figure 33 – Map of available co-working spaces

6.5 EXISTING SERVICED OFFICE SIZE AND OPERATORS

We provide here a list of existing serviced offices within Cambridgeshire. The list is not exhaustive but encompasses most known serviced offices.

The average size taken for serviced offices is 30,943 sq. ft. The amount of sq. ft. taken ranges from 1,764 in Biggleswade to 156,349 in Cambridge.

Name	Location	Operator	Sq. ft.
Cambourne, 1010 Cambourne Business Park	Cambridge	Regus	32,740
Wellington House, East Road, Cambridge	Cambridge	Regus	14,128
Vision Park, Chivers Way, Cambridge	Cambridge	Regus	16,120
Gibson House, Ermine Business Park	Huntingdon	Regus	8,094
50 – 60 Station Road, Cambridge	Cambridge	WeWork	156,349
Nine Hills Road,	Cambridge	Mantle	29,745
Cambridge Campus, Kings Hedges Road	Cambridge	Allia	31,122
27 – 29 High Street	Biggleswade	Your Office	1,764
The Workstation	St Neots	The Workstation	2,752
The Officer's Mess	Duxford	Mantle	21,550
Milton Hall Cambridge ltd	Ely	Milton Hall	26,928
Guildhall, Cambridge	Cambridge	Allia	51,326
49 – 51 Norfolk Street	Cambridge	Allia	9,647

Table 7 – Existing Serviced Offices Within Cambridgeshire

6.6 AVAILABLE CO-WORKING SPACE

The table below presents co-working space that is being actively marketed on relevant websites. Therefore, this only shows what is currently available and does not show the existing co-working offices. There is likely to be more co-working office space within the Cambridge region.

Name	Location	Operator	Sq. ft.
Chesterton Mill	Cambridge	Chesterton Mill	From 81 sq. ft. – 6,083
Linton Road, Yole Farm	Balsham		From 177 sq. ft. – 753 sq. ft.

Table 8 – Existing Co-Working Spaces Within Cambridgeshire

6.7 SERVICED OFFICE SPACE QUOTING ROOM TYPES & ROOM COSTS

The typical charge for a dedicated desk is £215 per month. The cost of using a hot desk range from £18.00 - £29.00 per day. Private offices costs between £195 - £215 per month.

Virtual Offices with reception telephone answering charges range from £107 - £315 with the average costing £208 per month.

The highest costs are for spaces / services within central Cambridge with Regus charging less for desks / offices in Cambourne than at Welling House in Central Cambridge.

It's not surprising the large-scale operators such as WeWork, Regus and Allia charge the highest rates for the use of their offices given their prime locations and depth of services.

6.8 EXISTING CO-WORKING SPACE IN THE WIDER LOCALITY

Chesterton Mill

Chesterton Mill offers 25 modern workspaces within an 1840s Windmill setting. While Chesterton Mill is an example of smaller style co-working space it is still located in central Cambridge and therefore not directly comparable to the site in Hardwick.

What's included in the occupancy fee:

- Rent
- Heat, power and internet
- A low latency 1Gbps leased line with a 350Mbps cable broadband backup connection configured for automatic failover.
- Internet connection protected by a business grade, managed firewall providing a private and secure network.
- Use of outside meeting rooms and stockroom amenities
- Car parking
- Electric car charging points
- Secure and covered bicycle parking
- Cleaning of communal areas
- Communal kitchen
- Maintenance of landscaping

Figure 34 – Location of Chesterton Mill in relation to Cambridge

Figure 35 – Chesterton Mill Offices

Currently available are the '15 The Office' and '6 The New Mill House'.

Number 6 The New Mill House offers 140 sq. ft. accommodating 11 workspaces over a first and second floor. Currently available is room 2 which has three desks. The monthly fee is £758.33.

Figure 36 – New Mill House Exterior Photo

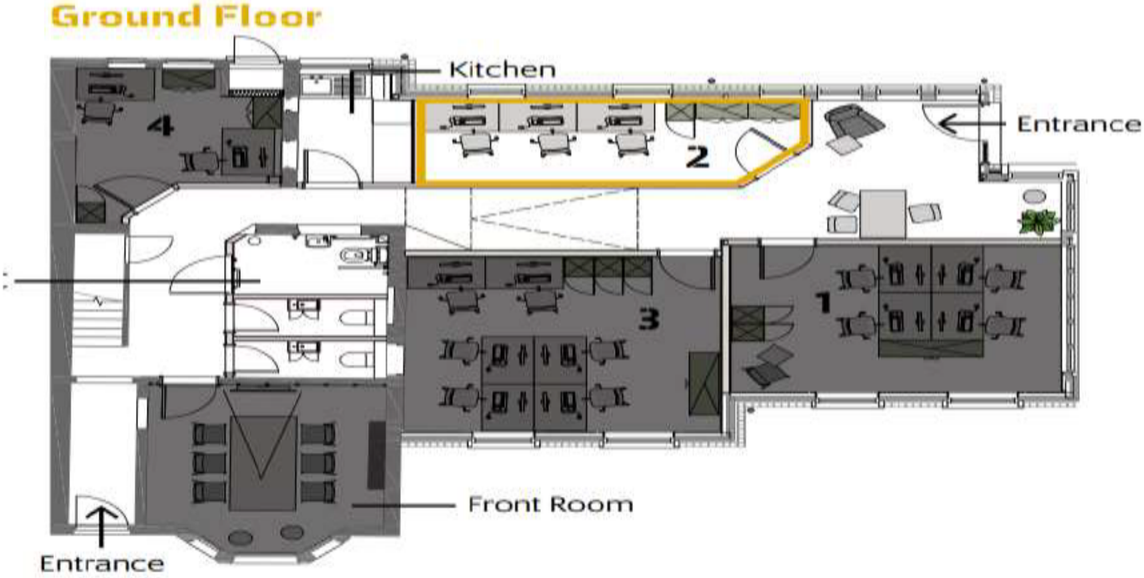

Figure 37 – New Mill House Internal Layout

Number 15 The Office offers 318 sq. ft. for four people. The asking price is £1,060 pcm.

Figure 38 – The Office External Photo

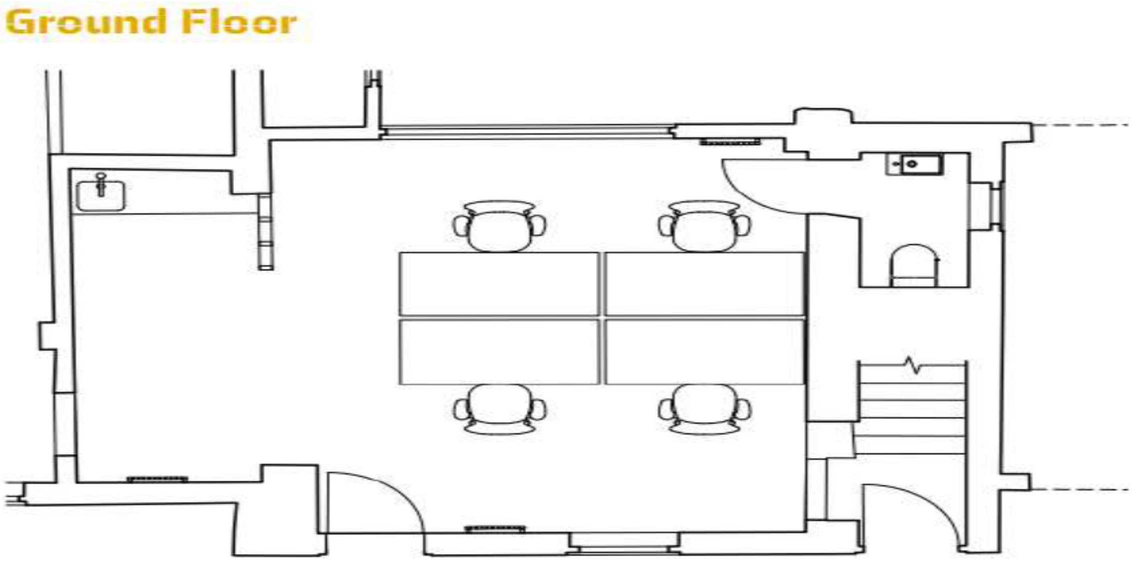

Figure 39 – The Office Internal Layout

Yole Farm, Balsham

Built in 2021 Yole Farm offers co-working space for 1 - 8 people. The asking price is £361 – £422 per month. Whilst it is not an example of co-working space within a residential scheme, it is an example of a co-working space outside of a main city / town. The offices are available for 12 months – 3+ years leasing. The meeting rooms are for hire for £50 for two hours to £120 for a full day.

The office suites offer:

- Kitchen,
- Separate W/C facilities
- Space available from coworking provider
- 6 Private Offices
- 1 Conference Room
- Kitchen
- Fibre optic internet access
- Separate telephone line

Figure 40 – Yole Farm in Relation to Balsham

Figure 41 – Yole Farm Exterior

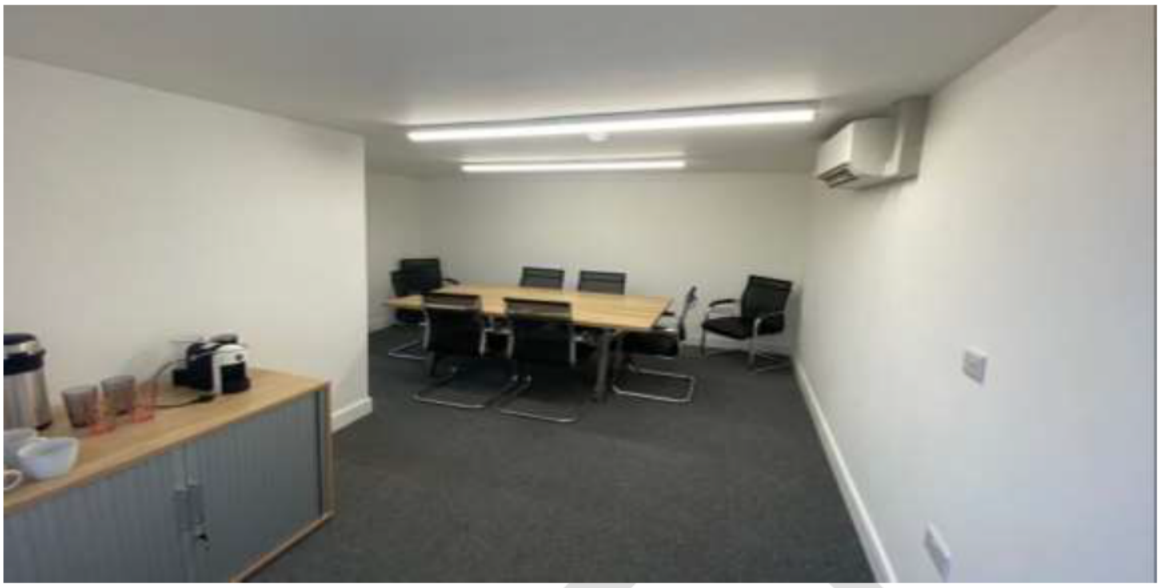

Figure 42 – Yole Farm Interior

6.9 SERVICED OFFICE SECTOR CONCLUSIONS

As assessed in Section 5 the average total size of a serviced office centre in the wider Cambridge area is 30,942 sq. ft. although there are a small number of centres that provide less than this average amount. These centres, given their scale, are operated by national or large regional serviced office providers including Regus, Mantle and Allia. There are a small number of examples of local authorities running the smaller centres.

As has been analysed, these operators typically take buildings of over 10,000 sq. ft. with their business model not focused on operating smaller scale spaces. Considering this, it is unlikely that an operator of this scale will be looking to run a small scale full or part serviced office at the subject site.

Given the likely scale of any serviced / flexible office hub within the local centre proposed at the site, it may be necessary for Hill Residential to incorporate the office / flexible co-working work space within a mixed-use building including ground floor café / community centre / day nursery (etc.) with a centralised receptionist that manage the day to day running of the office (from booking desks, booking meeting rooms, welcoming guests, organising refreshments for meetings, dealing with postal deliveries etc) as well as the community centre or other facilities within the building. A behind the scenes managing agent or commercial agent could be instructed to deal with granting of license agreements / rent collections / license negotiations / etc.

6.10 OFFICE MARKET SUMMARY

As has been assessed throughout Section 5, it is apparent there is a sizeable number of existing offices within the search areas.

Over the 15-mile radius 22.5% of the stock is between 1,000 and 2,000 sq. ft. with the second closest being 20% of the stock at sub 1,000 sq. ft. Over 80% of the stock is 5,000 sq. ft. or below. The vacancy rate has dropped since Q2 2022 from 573,929 sq. ft. (4.8%) to 636,000 sq. ft. (3.8%) Q3 2023. The availability rate has also dropped from 8.6% in Q2 2021 to 6.1% in Q3 2023.

Deals that are occurring are focused on central Cambridge or major towns however, there are clusters in between in Cambourne, Duxford and Impington.

Over this 15-mile search radius there are 85 office suits available under 10,000 sq. ft. with 60% of the stock under 2,000 sq. ft. The availability rate has risen sharply since Q1 2020 from 8.5% to 49.2% in Q3 2023.

Across the 15-mile search area circa 216 lease deals have occurred over the last five years with over 1.6m sq. ft. taken. A sizeable number of deals occurred under 500 sq. ft. (35 deals) with 33 deals between 500 – 1,000 sq. ft. recorded.

Looking at properties under 10,000 sq. ft. the average market rent was £27.46 per sq. ft. with a wide range of rents attributed to the spectrum of space over this wide area including secondary rural office suites through to prime central Cambridge areas.

Assessing existing stock and demand from within a two-mile radius of Hardwick and similar settlements / villages there is currently 213 existing offices ranging from 595 sq. ft. to 330,818 sq. ft. Of this, there are 43 available existing office properties offering a total of 824,000 sq. ft. with a 16.4% vacancy rate. The average market rent is £27.91 per sq. ft.

65 lettings have occurred within a two-mile radius of Hardwick and similar settlements / villages with most deals occurring in Impington, Cambourne, Comberton and Swavesey with the highest number of deals occurring under 1,000 sq. ft. with 19 deals recorded. Most of the comparable found were second hand stock with the average accommodation built in 1971.

Asking prices for the available office space in keeping with the style of offices proposed at Hardwick development range from £15.25 per sq. ft. to £22.64 per sq. ft. with the average rental value over the past five years equating to £20.97 per sq. ft.

Most of the existing serviced office space and co-working space around Cambridge is large scale and operated by national or regional serviced office providers.

Chesterton Mill and Yole Farm are the most comparable in terms of size and offering. These co-working offices are not run by a large operator but instead are independently managed. This approach could be adopted by Hill Residential with the assistance of an onside receptionist and 'behind the scenes' managing agent / commercial letting agent.

7.0 RECOMMENDED COMMERCIAL MIX

The report has considered a range of potential commercial uses for inclusion within the site including:

- Light industrial / warehouse units
- Self-storage units
- Serviced / flexible office accommodation.

7.1 LIGHT INDUSTRIAL / WAREHOUSE UNITS

The inclusion of several light industrial / warehouse units within the development is deemed appropriate and, correctly located, scaled and specified will see demand for them.

There is currently a lack of light industrial / warehouse type accommodation within 2 miles of Hardwick (the likely target market area) with wider trends across similar scale villages showing most of the existing industrial units being second-hand stock. Vacancy rates are low at 2% and with no light industrial / warehouse units currently under construction, there is due to high demand for the proposed units at Hardwick.

While there is 250,000 sq. ft. under construction over the 15-mile radius, this is spread across 5 developments, one totalling 125,000 sq. ft. There are no units under 4,000 sq. ft. under construction. The majority of the space let over 15-mile radius has been 5,000 sq. ft. and below.

There are good examples of developments that have recently completed / are under construction in comparable scale villages / towns that align to the type of light industrial / warehouse scheme envisaged namely Hall Barn Road in Isleham, Ely and Brampton Road, St Neots. These developments have created units of between 1,194 – 2,195 sq. ft. and 530 sq. ft – 2,650 sq. ft. respectfully.

The units at Brampton Road, St Neots were completed in April 2023 with those at Hall Barn Road, Isleham due to complete in January 2024.

Brampton Road is already 75% let / under offer (with these lettings associated with the smaller units – sub 2,650 sq. ft.) and Hall Barn Road is 15% let.

Regarding a proposed unit mix, we recommend including range of unit sizes to capture the range of market demand in the locality and to reflect other developments that have, over the years, let well. Considering this, we would like to see a masterplan showing several units of between 500 – 1,500 sq. ft. and a smaller number of between 1,500 – 3,000 sq. ft. The weighting is to be more towards the smaller end (say circa 60% of the units of between 1,500 – 3,000 sq. ft.) with the remainder weighted towards the 1,500 sq. ft. end of the 1,500 sq. ft. to 3,000 sq. ft. spectrum.

Demand for the units of these scales have been confirmed through the analysis undertaken with 67% of units leased within 15 miles were under 5,000 sq. ft.

7.2 SELF-STORAGE UNITS

There is scope to incorporate an element of self-storage units within the light industrial / warehouse 'zone'. There are various operators that provide drive up self-storage units which could be seen as a complementary addition to a typical light industrial / warehouse unit and appropriate within a residential led scheme. The inclusion of such units could help ease pressure on domestic garages associated with the residential element.

The main downside of this use is the fact that they are not employment generating spaces and therefore could be ancillary to a larger light industrial / warehouse type scheme.

Serviced / Flexible Office Accommodation

There is little demand for standard office space within the search areas. Across the 15-mile radius the vacancy rate has dropped since Q2 2022 from 573,929 sq. ft. (4.8%) to 636,000 sq. ft. (3.8%) Q3 2023. The availability rate has also dropped from 8.6% in Q2 2021 to 6.1% in Q3 2023.

This is also shown in the search around similar villages / settlements to Hardwick as the vacancy rate is 3.4% and 133,000 sq. ft. currently vacant. The availability rate for these areas is also at 6.3% with 244,000 sq. ft. available.

Serviced office accommodation could be suitable for this location however the likely scale of space to be provided will be out of kilter with most of the large-scale serviced offices (typically closer to 20,000 sq. ft. – 30,000 sq. ft.) run by the likes of Regus, Allia and Mantle.

There are examples of smaller scale semi serviced / co-working offices that are run independently including Chesterton Mill and Yole Farm which are operated on flexible leases.

The market research shows there is still strong demand for serviced offices and co-working space from established businesses who want to lease short-term space, pending a move to longer-term conventional office space. The space could also work for start-up or smaller companies looking to co-work a couple days a week and therefore would rather rent desks or rooms by the day than committing to a monthly / quarterly lease.

It is envisaged that the co-working / semi serviced office space could be provided within a mixed-use building to help with the overall running of the facility. Its scale is to be determined however is unlikely to be larger than say 3,000 sq. ft. split into a range of hot desks / small scale office suites.

7.3 LOCATION OF COMMERCIAL ACCOMMODATION

Light Industrial / Warehouse Units / Self-Storage Units

The most appropriate location for these end uses is envisaged to be at the entrance to the site to ensure minimal interaction between commercial and residential vehicles and also avoid conflict with residential accommodation. On this basis, there are two potential parcels where these units could be delivered – the red or orange parcel in Figure 43.

The 'red parcel' to the west of the access road is considered to be a good location as it has an existing landscape buffer to the left that will reduce impact on existing houses within Hardwick. The alternative is the 'orange parcel' to the east of the access junction. By comparison, this parcel is closer to existing houses that are right up against the boundary. Given this, a part of the potential development plot would need to be lost to a structural landscape buffer – to such an extent that may not be required if it were used for residential development.

Either plot can be explored as part of the masterplanning exercise.

Serviced / Flexible Office Accommodation

It is envisaged that the provision of a work hub / semi-serviced office space would be best located within the local centre zone (indicated by the shop symbol in Figure 43 below) and has scope to be integrated with other complementary uses in this area.

Figure 43 – Potential Location for Light Industrial / Warehouse Units / Self-Storage Units

6.2 ACTIVITY IN LIGHT INDUSTRIAL / WAREHOUSE UNITS

Small scale light industrial units lend themselves to a variety of end uses do the flexible nature of them with a wide range of businesses taking occupation of them falling within broad categories including:

- production / manufacturing / assembly
- independent bespoke furniture or kitchen unit manufacturers
- engineering companies
- local trades
- e-commerce retailers
- bakeries / dark kitchens / artisan food companies
- breweries
- gyms / sports clubs
- online pharmacies
- photography studios
- last-mile food deliveries

These type and scale of units are occupied by businesses from a wide range of sectors looking for industrial space to serve the local area. Having premises which are well-connected to the surrounding region and sized to their operational requirements is imperative.

Further information on the type of businesses and demand for this type of accommodation can be found at:

Why new build smaller industrial units are integral to service local economies and diverse occupiers - Chancerygate

8.0 CONCLUSION

The report has considered the likely demand for light industrial / warehouse and flexible / co-working office accommodation within the proposed residential led development based on market statistics and trends.

The site, located adjacent to Hardwick, is well located to the south of St Neots Road off A428 with major road and rail improvements underway / proposed including a new train station in Cambourne as part of the East West Rail connection and upgrades to the A428.

Most of the existing light industrial units within 15 miles of Hardwick are second-hand stock with the average build date being 1984. There are currently only seven units available within that search area, the majority being no more than 5,000 sq. ft.

Light Industrial / Warehouse Units

In the industrial market developers have been challenged by sharply rising build costs and supply chain problems, together with the rising cost of debt and broader economic uncertainty. These factors have a negative impact on development activity, and with ongoing healthy occupier demand, the market for prime space will remain tight throughout 2023.

Light industrial vacancy rates are low within this search area, suggesting demand is high for these units. Where accommodation has been built, these units have been disposed of quickly (as per the examples shown) with businesses continuing to seek higher grade space to meet their needs.

The current rental value for light industrial units over the 15-mile radius is £12.57 per sq. ft., this is just above the average rental value for a two-mile radius of similar villages to Hardwick at £10.95 per sq. ft. This is also confirmed by the current asking values for Hall Barn Farm, Isleham and the Tin Lid, St Neots both asking for £12.00 per sq. ft.

It is considered that there will be a demand for small scale light industrial type units of between 500 – 3,000 sq. ft. with a greater weighting towards those of c. 500 – 2,000 sq. ft.

Self-Storage

It is considered suitable to include a limited number of drive-up self-storage units so ease pressure on storage of items in the proposed domestic garages however consideration will need to be given towards the lack of jobs created by such a use which may not help from a planning perspective. That said, a small number incorporated within the commercial mix may be deemed satisfactory by planners however quantum will need to be tested with end operators who are likely to require a minimum number to make a viable business offering.

Office Accommodation

There is continued strong demand for semi serviced / flexible / co-working office space from new and emerging businesses wishing to take short term space as part of their growth trajectory and to bide time while for the current economic uncertainty to improve.

Demand for prime office accommodation in and around Cambridge (including on the major business parks) remains strong with the area well established as an office / R&D / laboratory area. However, demand for office accommodation across the regional towns / villages has declined in the wake of the Covid 19 pandemic and the rise of home working.

Considering offices of no more than 10,000 sq. ft. within a 15-mile radius of Hardwick – there has been a sharp increase in both availability and vacancy rates over the last two to three years. This is partly driven by the completion of new office accommodation within the major business parks boosting availability in conjunction with a slowdown in the take up of space.

Market research highlights that most office occupiers are focused on securing more energy efficient and sustainable offices with lower grade accommodation loosing out as a result.

Demand for small scale office accommodation remains good with circa 40% of deals over a 15-mile radius of Hardwick taking no more than 1,000 sq. ft. in the last 5 years.

There is a good supply of existing serviced / flexible office accommodation across the local area although most spaces are located in Cambridge or major towns / cities such as Ely and Huntingdon and run by national / strong regional operators. These serviced office centres are generally around 20,000 – 30,000 sq. ft. in total although there are examples of smaller centres at sub 10,000 sq. ft.

There could be scope to include a small proportion of flexible office accommodation within a central ‘community hub’ building with a range of workspace options presented e.g. hot desk / communal work areas / small private office suites. Consideration will need to be given to the total scale of the space and how it is run. It is unlikely to be large enough for one of the established providers to take on board and therefore alternative management arrangements will be needed e.g. an on-site receptionist to run operators day to day with letting agent / managing agent in support.

APPENDIX 1 – SERVICED OFFICE DETAILS

Regus

- Cambourne, Cambridge
- Wellington House, Cambridge
- Vision Park, Cambridge,
- Gibson House, Huntingdon

Room Type	Contract	Price	Per	Comments
Office Space				
Private Offices	By month or year	£199 (Cambourne, Cambridge & Vision Park, Cambridge) £195 (Gibson House, Huntingdon) £215 (Wellington House, Cambridge)	Person per month	Teams of any size.
Custom offices	By month, year or customised	£199 (Cambourne, Cambridge & Vision Park, Cambridge) £195 (Gibson House, Huntingdon) £215 (Wellington House, Cambridge)	Per person per month	Teams of any size
Day offices	By the hour or day	£59 (Cambourne, Cambridge & Gibson House, Huntingdon) £65 (Vision Park, Cambridge) £69 (Wellington House, Cambridge)	Day	Teams of any size
Office membership	5, 10 or unlimited days per month	£205 (Cambourne, Cambridge, Gibson House, Huntingdon, Wellington House, Cambridge & Vision Park, Cambridge)	Month	Flexible access to thousands of locations worldwide.
Coworking				
Dedicated desk	Reserved permanent workspace	£189 (Cambourne, Cambridge) £199 (Vision Park, Cambridge) £209 (Wellington House, Cambridge)	Per person per month	Rent as many desks as you need in a shared office space.
Day coworking	Hot desk by the hour or day	£29 (Cambourne, Cambridge, Gibson House, Huntingdon, Wellington House, Cambridge & Vision Park, Cambridge)	Per day	On demand access to open plan coworking space

Coworking membership	Hot desk as often as you need	£139 (Cambourne, Cambridge, Gibson House, Huntingdon, Wellington House, Cambridge & Vision Park, Cambridge)	Per month	Rent 5, 10 or unlimited days each month
Virtual offices				
Business address	Virtual presence anywhere	£59 (Cambourne, Cambridge & Gibson House, Huntingdon) £85 (Vision Park, Cambridge) £139 (Wellington House, Cambridge)	Per month	Build a business and use the virtual address for your business at any of Regus locations
Virtual office	Virtual presence with receptionist / phone answering	£115 (Cambourne, Cambridge & Gibson House, Huntingdon) £129 (Vision Park, Cambridge) £205 (Wellington House, Cambridge)	Per month	With phone answering, virtual assistant
Virtual office plus	Have a virtual presence, telephone answering and access to meeting rooms 5 days of office space each month	£189 (Cambourne, Cambridge & Gibson House, Huntingdon) £219 (Vision Park, Cambridge) £315 (Wellington House, Cambridge)	Per month	
Meeting rooms				
Meeting Room	Available by hour.	£15 (Cambourne, Cambridge) £25 (Gibson House, Huntingdon) £35 (Wellington House, Cambridge) £45 (Vision Park, Cambridge)	Per hour	Onsite team support as well.
Interview rooms	Available by hour	£15 (Cambourne, Cambridge) £25 (Gibson House, Huntingdon) £35 (Wellington House, Cambridge) £45 (Vision Park, Cambridge)	Per hour	Private spaces
Training rooms	Available by hour	£15 (Cambourne, Cambridge) £25 (Gibson House, Huntingdon)	Per hour	Purpose built space with desks, whiteboards and screens

		£35 (Wellington House, Cambridge) £45 (Vision Park, Cambridge)		
Boardrooms	Available by hour	£15 (Cambourne, Cambridge) £25 (Gibson House, Huntingdon) £35 (Wellington House, Cambridge) £45 (Vision Park, Cambridge)	Per hour	Large boardroom style desks.

Your Office – Biggleswade

Offering	Price per day
Desk with Monitor	£18
Desk without Monitor	£10

The Workstation – St Neots

Offering	Price Annually
Registered office and serviced address	£95 + VAT
Physical Mailbox	£285 + VAT
Registered Office Address	£75 + VAT
Virtual Mailbox	£200 + VAT

WeWork

Membership	Price	Included
Basic	£179 per month	1 co-working space booking included per day. 2 credits included per month to book meeting rooms and private offices. Include printing of 60 B&W sheets and 10 colour sheets per month
Plus	£359 per month	1 co-working space booking included per day.

		5 credits per month to book meeting rooms and private offices Includes printing of 120 B&W sheets & 20 colour sheets per month

Allia Guildhall

Option	Price	Comments
Flexible co-working		
1 day a week	£100 per month	
2 days a week	£140 per month	
3 days a week	£180 per month	
4 days a week	£220 per month	
Dedicated desk		
Dedicated Desk	£300 per month	Dedicated desk Late night access 8am – 11pm Tea & coffee facilities Meeting room hire allowance
Virtual Offices		
Virtual Starter	£40 per month + VAT	- Address & mail handling - 20% of co-working diskspace - Access to free business support programmes
Virtual Plus	£77.50 per month	- Address & mail handling - 2 hrs free meeting room hire p/m. - 20% off co-working diskspace

Virtual Extra	£107.50 per month	- Address & mail handling - 4 hours free meeting room hire p/m. - 20% off co-working diskspace - Tel number and answering service
Meeting rooms		
Meeting rooms (all)	£35 + VAT hourly	2 – 8 seats.

Land at Cambridge Road, Hardwick – Demand & Need Market Review

Carter Jonas