



REGIONAL COVERAGE - LOCAL EXPERTISE

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Our Ref: JH/Penrhos Farm/RJ
Corbett/11062018

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11 June 2018

BY POST & EMAIL

Dear Richard,

Re: Industrial Warehouse Requirement and Unit at Penrhos Farm, Llanymynech SY22 6QH

Further to your recent request I write to provide you with my opinion in relation to your client's requirements for an industrial building to allow him to continue the development of his business in this part of north Powys.

Firstly, I have met with your client, Mr James Owen of Rebo UK Limited and understand that he has been for sometime seeking a suitable building in order to expand his business operations and accommodate in one building his storage requirements for his on-line outdoor toys business. To consolidate existing storage arrangements and allow for business expansion the company have a requirement for a building of circa 2,850 square metres (30,000 square feet) with sufficient yard area for turning and servicing for logistics vehicles and a minimum eaves height of 6.5 metres in order to optimise racking height and consequently storage capabilities. In terms of detailed building specification, ideally the company will want a power float finished high density concrete floor pad given the racked storage use, a number of service doors to allow incoming and outgoing stock movements simultaneously if necessary and insulated profiled metal cladding with high proportion roof lighting of c.20% to maximise the energy efficiency by reducing heating costs and increasing natural light. The company also have to consider the security aspects of any suitable premises.

Secondly, as Mr Owen is based in the Llanymynech area he has been looking for suitable premises in this area and further afield in the Severn Valley including Welshpool and up to Newtown. This will allow the company to maintain efficient management of their business and retain existing staff. The company is also mindful of the good pool of potential staff in this area of north Powys for future expansion, thus is keen to remain in this location rather than have to seek premises over the border in Shropshire

We, at Towler Shaw Roberts LLP, are chartered surveyors who specialise in commercial property and though Shrewsbury based, have provided advice on industrial premises in Mid Wales since the firm was founded in 1991, by Head of Agency, Toby Shaw.

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Toby worked for Halls in Shrewsbury and Norman Lloyd & Co in Newtown prior to setting up this firm and thus has a great deal of knowledge and experience in this sector of the commercial property market.

I joined Towler Shaw Roberts LLP in January 2005 and live near Welshpool. As Head of Asset Management Services I deal directly with clients and their properties in Mid Wales and being locally based also deal with clients' investment, acquisition and disposal and leasing/letting requirements in Mid Wales. For a number of years I have also been involved with the Mid Wales Economic Forum and latterly the Growing Mid Wales Partnership and worked closely with the Mid Wales Manufacturing Group, Chamber of Commerce and other industry groups on commercial property matters.

It has been clear for a number of years now, that there is a lack of suitable buildings in Mid Wales with adequate facilities, such as eaves height, for not only storage and distribution, but also for manufacturing. Much of the existing stock in Mid Wales was developed in the 1980's and 1990's and is now not fit for modern uses, are not energy efficient nor are suitably designed for storage and distribution. There is also a paucity of buildings of 2,500 – 3,000 square meters size, resulting in overdemand when suitable buildings become available. Over the past 2 years I am aware of only 1 building in this size bracket meeting some but not all of the company's requirements which became available in the geographical area being focused upon. This was on the Mochdre Industrial Estate in Newtown and was becoming vacant as a result of business closure. An offer was made and accepted by a local business to purchase the freehold before the property was offered for sale or to let on the open market.

In terms of future availability of buildings of the size and specification required by Rebo UK Limited, to my knowledge here are none likely to become available in Welshpool nor Newtown in the near future, nor larger buildings which can be subdivided to create the size being sought.

Thus in light of the above the alternative for Rebo UK Limited is to seek suitable land on which to build their own facility.

This issue of shortage of supply of suitable buildings is exacerbated by the lack of availability of industrial/employment land for development of new. Welsh Government acquired the land which has become Buttington Cross Enterprise Park and Offa's Dyke Business Park, Welshpool a number of years ago and invested on the infrastructure ready for the sites to be developed. Buttington Cross has been mostly built out for a number of years, with the remaining two smaller plots now being developed.

At Offa's Dyke Business Park, the majority of the available land has effectively been under offer to end users for the past 2 years and the new units are now either complete or due to complete this summer. None of 3 units developed are within Rebo UK Limited's size parameters.

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The remaining undeveloped areas of this estate are on or close to the gas main and the main overhead electricity distribution lines, meaning any further development on this site will be restricted to smaller units only, well below the company's requirement.

There are no other sites in Welshpool which I am aware of which are suitable and no suitable sites in Newtown. The local authority site at Abermule does not allow for development of a Unit of the size required by Rebo UK Limited.

In conclusion, given the lack of available suitable buildings over the past few years and the lack of industrial/employment land for development in the area, the only option it appears available to Rebo UK Limited if it is to continue to expand its business in Mid Wales is the construction of a suitable facility on the land owned by Mr Owen at Penrhos Farm.

I trust this letter provides you with the information you require but should you have any queries then please do not hesitate to contact me.

Kind regards.

Yours sincerely
for TOWLER SHAW ROBERTS LLP


JAMES HARRISON BSc (Hons) MRICS
Head of Asset Management Services

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