



2 December 2021

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Dear Andrew

Planning Policy Commentary – Speculative build industrial unit at Site 2 (called Imagination 02) Image Business Park, Knowsley

Further to previous correspondence from Knowsley MBC to Hale Architects regarding the position on the subject site being zoned for a waste facility, we are pleased to provide our comments below.

LM6 Commercial Property Limited are a Chartered Surveying Practice specialising in the sale and leasing of Commercial Property within the industrial sector and particularly within the Liverpool City region. We have a wealth of experience within sector which is recognised within our industry where we have been involved in some of the largest deals in the Liverpool City Region in the last 5 years.

We have a detailed knowledge of the subject site and indeed it was us who first introduced the opportunity to Seybourne to purchase the site in mid 2015, culminating in the eventual purchase in December 2017. Since that time we have been officially retained in a joint agency capacity with leading global practice, Avison Young to promote the site on a design and build basis (d&b) to secure industrial occupiers.

We are seeking to substantially improve the nature of the asset within Knowsley Business Park and position it as a prime development opportunity in the wider Liverpool City Region where the inward investment potential of the locality is demonstrated by the success of Amazon, B&M, Kammac, Surface Transforms and Matalan on the adjoining site which is now underpinned by Contenur.

As you would expect we continue to extensively market Image Business Park on a national, regional and local basis to include:

1. Marketing boards
2. Preparation of Marketing I-Brochure –

<http://lm6.co.uk/property/image-business-park-acornfield-road-knowsley-industrial-estate-liverpool-merseyside-l33-7rn/6117/>

3. Direct Occupier mailing to Merseyside occupiers, Specific North West Occupiers, Top UK 500 Distribution companies, UK Manufacturers, Etailer Contract Occupiers, National 3PL's,
4. Knowsley BC economic development dep't & Liverpool LEP
5. Press Releases & Social Media

6. LM6 Website
7. North West Agents
8. National Industrial Agents Society

The remaining development plot totals approx.8 acres which is clearly highlighted in the marketing brochure for design & build and broken down into 3 separate development opportunities:

- a) Imagination 1 – c.7 Acres of land where the Landlord has delivered a 56,450 sqft manufacturing facility for Contenur which is now in full operation.
- b) Imagination 2 – c.2.5 Acres – demolition was completed during mid 2019 and is now ready for D&B/Speculative development. Planning consent to be submitted for a 60,000 sqft distribution warehouse.
- c) Imagination 3 – c.5 Acres – Demolished and a forward funding sale has been agreed with EQT Exeter. Planning consent to be submitted for a 120,000 sqft warehouse.

From the marketing undertaken to date, our records show that we have generated over 200 enquires ranging from 5,000 sq ft to 200,000 sq ft.

We can confirm that we have not been approached in the last 3 years, nor were the previous owner's approached by any enquiries from a waste management operator for specific schemes relating to Image Business Park.

Our marketing has led to successfully securing a key inward investment transaction to Contenur for a new manufacturing facility of 56,450 sqft approx.. and creating up to 65 jobs. This has further led to the forward funding transaction to speculatively develop out a 120,000 sqft unit given there is no new build large warehouse schemes currently available in Liverpool City Region.

In promoting the site we have contacted a series of 'waste & recycling operators' which included some of our existing clients.

LM6 continue to act for Sims recycling who are the largest metal recycling operator globally and they have had no requirements for Knowsley in the last 3 years. They have had tentative enquires for North Liverpool but they were Dock / Deep Sea Port related enquiries.

Biffa who are based in St Helens do not have any Merseyside Requirements at present.

In addition, I speak regularly to a client of ours (CEW) who are a large St Helens waste operator and (my contact) was a former director of Biffa. He informs me that Merseyside Recycling & Waste Authority (who represent the 6 local authorities) has approximately 20 years remaining of a 25 year contract which has been awarded to Sita / Suez for the disposal contract & Veolia has the transporting and bulking up contract. Our understanding is that for a new waste facility to be developed out, a waste operator will almost require a local authority contract as well as private industrial waste collections. The local authority contract will underpin the commitment to take a new long lease (20 years plus) for a new facility and if the information I have mentioned above is accurate, then there are no contracts to be awarded for another c.20 yrs.

We have found waste sector enquiries to be typically geographically orientated i.e. contract led in the main by local authority tenders. Waste and recycling operators tend to be 'land hungry' requiring units of 20,000 sq ft to 100,000 sq ft with overly large external hard standing yard areas. In this regard they are typically drawn to low value areas seeking budget rents.

As you will appreciate, we have no existing units which could satisfy immediate demand nor are we aware of any large scale design and build requirements in the market over the past 3 years and as the Business Park evolves and site values increase, this will inevitably lead to waste recycling operators seeking alternative locations to Knowsley, in locations which are more compatible to their proposed use.

At this point it would be worth mentioning that Halton has more appropriate sites for 'hard' uses which are not adjacent to new build 'modern' schemes in prime development locations.

Locations more suited in our opinion to these users include Halton and Simonswood literally a few miles away from the subject site where Peel are currently marketing approx.20 acres for sale or to lease.

In addition, Knowsley BC property department has confirmed that the private owners of the c.5 acre site on Villiers Rd in Knowsley (formerly owned by Contract Chemicals) has planning consent for an Energy From Waste Plant who have now decided not to pursue this due to the heavy funding and guarantee/the certainty of contracts being awarded.

It should be further noted that FCC Environment have a 55,000 sqft facility on 3.5 acres in Huyton with all relevant planning consents for domestic & commercial waste recycling but note has lay vacant for over 5 years with redundant machinery inside. We have spoken to them on numerous occasions to market their site and understand they are looking to bring this back into use in the next 3 – 5 years which again will be contract driven. We understand Knowsley BC are also in discussions with them regularly.

Notwithstanding this, waste operators would find it difficult to be able to justify the level of rent that a landlord / developer would need to achieve for this location for a D & B. As an example, Biffa had to relocate from Trafford Park several years ago from a new build where they were only in occupation for 2 years and had to sublet the premises due to the high level of rental.

We have hopefully therefore demonstrated that there has been no demand for waste requirements at Image Business Park, Knowsley over the last 3 years which in turn should support the design and build planning application for Imagination 2 & 3.

We understand Contenur is the only D&B in Liverpool's City Region within the last several years until Amazon recently committed to a 650,000 sqft unit owned by Peel in Knowsley Business Park earlier this Summer. In this regard, we would expect Knowsley BC to fully support the planning application proposals which will be a great success story for Knowsley to add to Contenur.

Yours Sincerely



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