

# Tunstall Road strategic development area

## Concept masterplan



09|09|19 - Revision 03

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# Executive summary

## Project brief

In September 2018 Sanderson Weatherall were commissioned by Staffordshire Moorlands District Council to develop a Strategic Development Area Masterplan for the Tunstall Road site in Knypersley to the south of Biddulph.

The Site is allocated in the Staffordshire Moorlands Local Plan 2016-2031 (due to be adopted in 2019) for a mixed use following removal from the Green Belt. This was extensively consulted upon during the development of the local plan and was subject to Public Examination by an independent Inspector in October 2018. It is proposed that the site be for a mixed use development of:

- Approximately 4.29 ha for general employment use
- Approximately 2.19ha for housing which will accommodate approximately 85 dwellings (based on density of 38.8 dwellings per hectare)

This document is the output of the initial masterplanning exercise and intended to provide a robust platform for the subsequent stages of design development. As with any project in its infancy there are several questions and considerations that have arisen from the work and these will need to be answered prior to the delivery of this locally important scheme.

## The site

The Tunstall Road site consists of farmland as well as two properties and outbuildings located on the Western boundary of the site (adjacent to Tunstall Road). The site benefits from fantastic views over the surrounding countryside along the Southern end of the site.

To the West of the site is an established industrial area (Victoria Business Park), accessed via Tunstall Road. To the north of the site there is a terrace of residential housing (Victoria Row) and beyond this a petrol garage with a small shop. The approximate site area as identified in the Local Plan has been revised in light of more detailed consideration with the local council. The total area of the site is 6.48 hectares and is generally undulating in nature. A mature landscaping strip exists along the southern edge of the site.

A Landscape, Local Green Space and Heritage Impact Study, Phase 1 Ecological study and a further Habitat study had been undertaken on the site prior to allocation in the

Local Plan. The conclusion of which was that the site has very limited ecological value.

## Market demand

Research suggests the site is most suited to a housing mix of two and three-bedroom medium to high density dwellings which need to incorporate the projected 33% affordable housing provision of which 60% is social rented and the remaining 40% is intermediate. Our research has suggested a lower level in demand for social rented properties than ownership and suggests that the provision may be better suited to ownership options such as shared ownership and staircasing.

Based upon delivery of the adjacent industrial site, the market evidence and developer interest we have a reasonable level of confidence for the delivery of this site which is effectively the next phase of development in this location. We would suggest that the statistical evidence and longer term evidence provided by Victoria Business Park suggests a range of industrial unit sizes from 2,000-10,000 sqft could be delivered on this site.



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## Masterplan options

Three masterplan options have been developed using advice from a range of professionals along with existing studies. Studies included landscape and ecology reports and Highways and industrial demand analysis. The three design options for the site are described in the accompanying images:

## Information event

A public information event was held at knypersley sports club on Tuesday 5th February 2019 between the hours of 11am and 7pm to discuss the 3 options for the Tunstall road site as a development of the information contained within the emerging local plan. A leaflet drop was carried out on the Thursday and Friday before the event to all properties within 1 mile of the site (approximately 2,000 residences) along with social media advertising (via Instagram, facebook and twitter) by Sanderson Weatherall, the District Council and Town Parish Council. Local advertising was also carried out for the business community via the Council's and Chambers' business newsletter. Direct invitations were sent to all businesses on adjacent Victoria Business Park and Brown Lees Industrial Park.

The Information event for Tunstall Road was a successful event and has provided helpful feedback that can be incorporated into the design proposals.

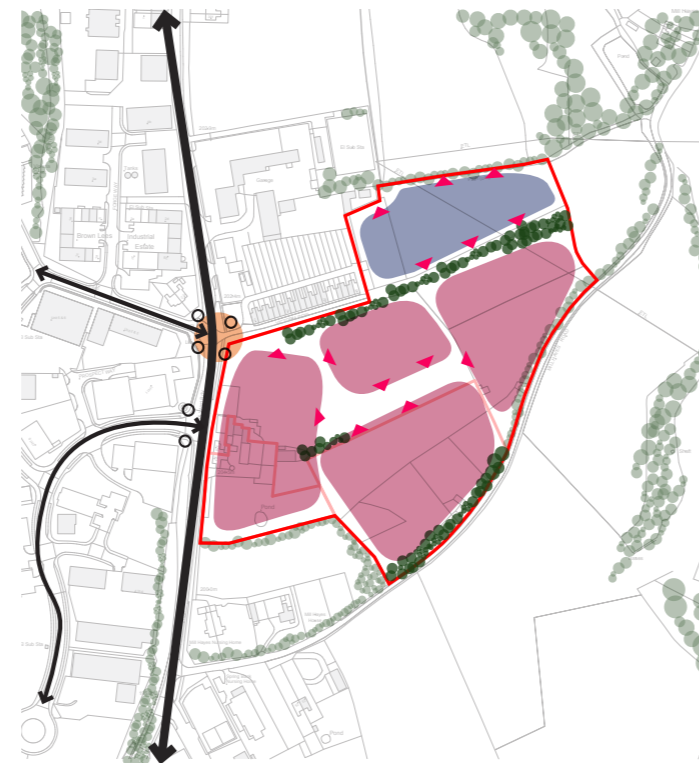
Option 03 was seen as the preferred option for the site but will need to be developed in such a way to respond to specific feedback on the proposals.

### Key

- |  |                       |  |                     |
|--|-----------------------|--|---------------------|
|  | Primary Road          |  | Active Frontage     |
|  | Secondary Road        |  | Light Industrial    |
|  | Potential Access Road |  | Housing             |
|  | New Landscaping       |  | Key Movement Node   |
|  | Existing Landscaping  |  | Signalised junction |
|  | Sports Provision      |  |                     |

## Option 01

- Option 1 delivers approximately 51 residential uses and 18 industrial units
- There will be one area of housing located in the North East corner of the site. The total area of housing will be approximately 1.3 Hectares. Landscape buffers will be used between the housing, industrial areas and Mill Hayes Road
- Light Industrial units will occupy the rest of the site. The Industrial areas will occupy approximately 4.4ha Net (5.2ha Gross). This will provide approximately 90,000sqft of industrial units with Landscaping buffers to the North and South.
- Access to the site will be provided by creating an additional road to the junction at Tunstall rd/Victoria Row/Brown Lees Rd. This could include option of adapting and extending Victoria Row to access new housing or could include separate access to housing within site boundary.



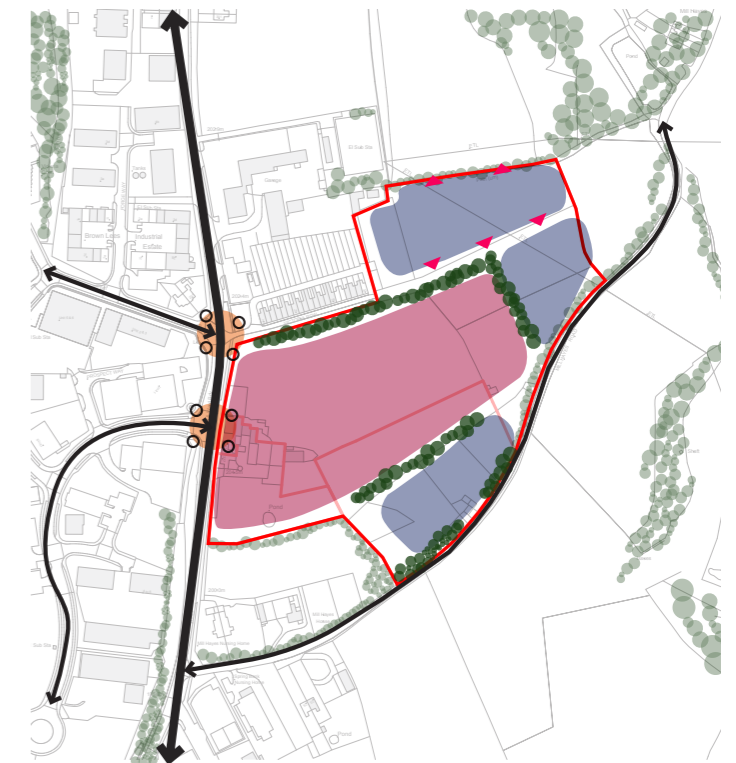
## Option 02

- Option 2 delivers approximately 73 residential uses and 17 industrial units
- Housing will be located in the North East corner of the site, occupying approximately 1.8 Hectares, existing hedgerows and landscaping buffers will be used to separate the residential and industrial areas.
- Light Industrial units will occupy the Western portion of the site with a Landscape buffer to the North and South, avoiding overlooking by the terraced housing on Victoria Row and providing a buffer onto Mill Hayes Road. The Industrial area will occupy approximately 4.3ha Net (4.7ha Gross). This will provide approximately 85,000sqft of industrial units.
- Access to the site will be separated for different end uses. Access to the housing could be provided by either adapting and extending Victoria Row or by a parallel road within the site boundary. Access to industrial would be provided by creating a cross roads/staggered junction where the existing T junction is located on Tunstall Road



## Option 03

- Option 3 delivers approximately 105 residential uses and 16 industrial units
- There will be three areas of housing, one will be located in the North East corner of the site, and the other two along the Southern boundary looking out onto Mill Hayes Road and the surrounding countryside. The total area of housing will be approximately 2.5 Hectares. Landscape buffers will be used between the industrial area and the terraced housing on Victoria Row, to avoid overlooking.
- The remainder of the site will be occupied by light industrial units. Landscaping will be used as a buffer between the industrial units and Victoria Row and the housing to the South. The industrial area occupies approximately 3.3ha Net (4ha Gross) providing approximately 80,000sqft of industrial units.
- Access to the site will be separated for different end use. Access to the housing sites would be provided via Mill Hayes Road, with pedestrian and cycle access via Victoria Row in line with existing right of way. Access to industrial would be provided by creating a cross roads/staggered junction where the existing T junction is located on Tunstall Road



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## Preferred option

Following a review of the advantages and disadvantages of each scheme; analysis of the options relevant to the strategic objectives of the brief; and a review of the information event feedback option 03 was chosen as the preferred option.

### Schedule of Accomodation

1. Area= 32,850sqm  
Total= 16 Units
  2. Area = 12,660sqm  
Density = 40 Dwellings per Hectare  
Total= 51 Houses
  3. Area = 5,886sqm  
Density = 40 Dwellings per Hectare  
Total= 24 Houses
  4. Area = 7,464sqm  
Density = 40 Dwellings per Hectare  
Total= 30 Houses
- Landscaping  
Area = 6,559sqm

\* Assumed unit size 5000 sqft

## Viability

Working with the preferred option 3 we have modelled viability based on the comprehensive mixed use industrial and residential development which is necessary to bring forward this site for development.

The indicative development appraisal shows that a fully speculative private-led scheme would have a significant negative land value taking account of typical development costs, including developers profit and values based upon our market research. This shows that the residential element produces a positive land value and the industrial element produces a large negative value as end values are significantly below levels which makes industrial development viable.

The model works on the basis of a largely speculative scheme and it is possible that some development could be delivered based upon pre-let or pre sale or plot sales to end users. This is likely to be more viable if the end users are able to raise appropriate finance and do not need to fund development purely on the basis of property value but in terms of an asset required to deliver their product. This would require some significant up front infrastructure to create serviced sites and is likely to take longer to build out as development will only occur based upon specific end user demand.



**Total Area = 65,419sqm (6.5 Hectares)**  
**Housing Total = Approx 105 Houses**  
**Industrial**  
**Net Area = 3.3 Hectares**  
**Gross Area = 4 Hectares**  
**Units = Approx 16 Units (80,000sqft)**



# Executive summary

## Delivery strategy and phasing

To secure a sensible layout and maximise development it will be necessary for co-operation between various land owners. The land ownership is within several ownerships and following initial conversations they are all in principle willing to sell subject to price.

The problem with this is that viability at present, without some form of public sector support, shows a negative land value, primarily due to the economics of the industrial element. It should be noted that even the residential elements of the site, due to its location and nature of the product which can be delivered is not a high value generator and land owners aspirations for value will have to be carefully managed.

To deliver the site there will need to be a high level of co-operation from the existing owners and ideally an agreement to seek a master developer for the site who can take the scheme forward and in particular work with the public sector to find ways to improve the viability of the site. Alternatively, the Council may need to act as master developer and agree options or a JV with the landowners to deliver the site. Any JV with landowners needs to be on the basis that no part of the scheme can be delivered in isolation and irrespective of whether land is proposed as industrial or residential development an agreed return based on the value of the whole site needs to be the basis for any agreement.

In any JV with a developer it will be critical to secure a firm commitment to an initial phase of industrial development (40-50,000 sqft) before any residential development can proceed. This will include key infrastructure and landscaping for the site. If this is not secured there is danger that a developer deals with the more viable residential development and then walks away leaving the industrial development undeveloped. It would not be realistic to require any more than this because although we have shown there is demand based on historic take up evidence there is a limit to how much supply the market can take in the short term.

The viability issue on industrial development is not unusual and in order to make the scheme viable a variety of alternative forms of support will need to be explored including potential for funding from Homes England and Stoke & Staffordshire Local Enterprise Partnership. The Council should also consider intervention in line with Acquisition and Investment Strategy to act as a developer for industrial development potentially using prudential borrowing or alternatively by

considering the use of a non-occupational wrapper lease to improve end values for a development partner. The Council is probably best placed to take the long-term view necessary to develop the industrial site out over time, much in the same way as the existing industrial development at Victoria Business Park has taken place over the past 15-20 years.

## Recommendations and next steps

A meeting with land owners will be necessary to share viability issues and confirm their willingness to work with the Council.

The Council should consider the merits of acquiring ownership of the site against its Acquisition & investment strategy and corporate aims. This would aid with the delivery of the scheme, particularly for the industrial element of the site which will be developed out over a much longer timescale. The willingness to sell to the Council should be explored and if possible acquire the land based upon existing use value and an allowance for hope value given the masterplan for the site.

The indicative development appraisal has an indicative sum included for acquisition of two houses on the site. Further work and formal valuations will be required to firm up and agree an appropriate acquisition price for these two houses which will need to be demolished as part of the industrial development on the site.

Funding sources should be explored and in particular further contact is recommended with Stoke & Staffordshire Local Enterprise Partnership.

The Council should consider the merits of either direct development with the benefit of relatively cheap prudential borrowing and an ability to take a longer term investment view of the scheme without developers profit or alternatively consider its ability to take a non-occupational 'wrapper lease' to provide a secure income stream for a developer and improve viability.

There should be ongoing engagement with local businesses to see and identify any specific requirements which can be included, particularly if there are any larger requirements which could be accommodated upon the site.



