

4th February 2021
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King & Co (Wells) Ltd
Marquis House
68 Great North Road
Hatfield AL9 5ER

For the attention of Jonathan Collins

Dear Sirs

Wells Farm, Northaw Road, East Cuffley

Introduction

King & Co are proposing to redevelop part of the above site with the replacement of a cluster of buildings with established commercial uses with new family housing.

You have instructed Derrick Wade Waters to provide an overview as to the suitability of these existing buildings for continued employment/commercial use, as well as the potential for the site to accommodate alternative commercial uses, upgrading or redevelopment.

You have also asked us to comment upon the availability of alternative industrial/warehousing accommodation within reasonable proximity of the subject premises.

We are pleased to set out our report as follows:

Derrick Wade Waters

Derrick Wade Waters is a multi-disciplined firm of Chartered Surveyors based in Harlow, Essex. The firm's expertise includes a commercial Agency team that undertakes the sale, letting, and acquisition of commercial buildings (principally industrial and warehousing) primarily within the A1, A10 and M11 corridors, but also nationally for retained clients. In addition, the Practice are Chartered Architects and Chartered Structural Engineers trading under a sister brand, DWW Design.

The writer is a Chartered Surveyor who qualified in 1989, since when he has been involved in the sale, letting, and acquisition of industrial and warehousing accommodation. His clients include The Prudential, Aberdeen Standard, various funds represented by CBRE Global Investors and DTZ Investors, as well as a number of manufacturing and distribution businesses.

In addition, the writer has lived in Cuffley since 1990 and is, consequently, very familiar with the location.



Mr Beeton is therefore in a position to provide an objective, non-biased report.

Location

The property is located on the edge of the village of Cuffley on the B156. It is reasonably located in terms of access to the national motorway network via the M25 at Potters Bar (Junction 24) or Enfield (Junction 25). The village centre is within walking distance and benefits from a variety of shops and service providers, as well as mainline station London Moorgate via Finsbury Park (Victoria and Piccadilly lines).

Existing Buildings

The existing buildings comprise 7 buildings clustered around a former farmyard. Buildings A-E were originally used as agricultural buildings but have been in commercial use following planning approvals which were secured through the period 1993-2007.

Building F is understood to have been used for commercial livery following a 1975 planning approval. The use as livery ceased during 2012 upon cessation of the lease (retirement of the operator) and since that point it has been used for additional commercial storage.

Building G is a smaller structure which is used by the landowner to house maintenance equipment which is used on the wider site. It is therefore not let but it has a functional use which is directly related to the other commercial buildings.

We have been provided with the following floor areas by King & Co:

EXISTING AREAS					
Unit	Name	Footprint sq m	Footprint sq ft	Gross Area sq m	
A	Wells Farm Carpenters	101.3	1,090		
B	General Offices (Blue Jigsaw Textiles)	116.1	1,250	144	Includes 28 sq m of mezzanine floor space
C	Storage Shed	254.6	2,740	255	
D	Distribution Shed (Blue Jigsaw Textiles)	138.4	1,490	138	
E	Storage Shed	254.6	2,740	255	
F	Office and Tack Room	222.0	2,390	222	
G	Machine Shed	36.2	390	36	
		1,123.2	12,090	1,050	

Unit A

Additionally, Unit A has subject of fire damage which required the removal of the roof and upper walls to make it safe. The solid masonry perimeter walls to a height of c.1.5m remain as does the concrete floor. There may be opportunities to re-construct the building, but at this point it is not lettable.

Unit B

We were not able to inspect Unit B, although we note from our external inspection that it comprises a detached part-single-storey/part-two-storey building currently used as offices/showroom. We were verbally advised by the owner of the site that the interior has been fitted-out for office purposes, with the exception of part of the ground floor which is fitted-out for showroom use.

We are further advised that the building benefits from male and female WCs, and basic heating.



Units C, D and E

Units C, D and E are all of the same basic construction as each other. We were able to internally inspect Unit E and by consequence this informs our consideration of the use of the two similar units (Units C and D).

The structural frame of these buildings are formed in timber. There are solid blockwork/brickwork perimeter walls to a height of c.1.5m which has been rendered, both internally and externally. The walls above the blockwork are formed by a timber frame with timber sheeting to the internal face and weatherboarding to the external face. The timber walls are only 10cm/4" thick and appear to be uninsulated.

The roof is formed by a lightweight timber truss-frame, lined internally with timber sheeting, and finished externally in corrugated asbestos cement sheets. The roof construction suggests that there is no insulation and we saw no other evidence of insulation being in place. The floor is finished in tamped concrete leaving a rough finish. There is no evidence of a damp-proof membrane. The floor-to-eaves height is c.2.75m. Access to Unit C, D and E is via either an uninsulated roller shutter door or twin-leaf, single-skin timber doors.

Electricity is provided to each unit (C, D and E). No other services, such as heating, water, foul drainage, or gas is connected. There are no staff facilities.

Unit E is sub-divided by blockwork into stalls appropriate to its previous use as stabling. We understand that Units C and D offer clear floor space.

The units are very linear in shape, thus being inefficient for storage purposes once allowing for an access route from the front to the rear of each building. There is a lack of any secondary means of escape nor is there any fire alarm system or emergency lighting.

Unit F

Unit F comprises a former stable block, office, and tack room, together with a kitchen. It is principally of blockwork and timber frame construction under a monopitched roof covered in roofing felt. The space is sub-divided into individual stables, access to which is via traditional split stable doors. To the North elevation, there are two sets of twin-leaf, single-sheet timber doors giving access to the "hay barn". There is a rough concrete floor.

The building is in relatively poor condition with evidence of water ingress to the roof. Being stables, the depth of the main stable run is shallow, making the building unsuitable for conversion to efficient commercial storage space. There is no evidence of a damp-proof membrane.

Unit G

We are advised that Unit G "Machine Shed" is used for the storage of maintenance equipment in connection with the wider commercial site (and the farmhouse to a lesser extent). As the building is not rentalised or let, it therefore falls outside the scope of our report.

We are advised by the owner that buildings A-F were constructed during the late-1970s. Buildings A-E are of a basic construction appropriate to their original agricultural use. Building F is also of a basic construction, but this is aligned to its original purpose for commercial livery (which falls outside agriculture).

The external areas are primarily finished to rolled stone, although there are some concrete hardstands around the buildings. This surface is unsuited to heavy trafficking and would undoubtedly require upgrading in the event that all of the buildings were re-occupied for other commercial purposes assuming typical reasonable occupier requirements.



The buildings have suffered from a lack of maintenance in recent years and would require a programme of refurbishment to return them to their original condition including, but not limited to:

- blockwork and render repairs;
- timber cladding repairs and redecoration;
- joinery repairs to window frames;
- roof repairs to address any roof leaks;
- replacement/re-hanging of gutters;
- replacement of loading doors where rotted and warped;
- upgrading of the electricity installation.

However, such repairs do not address the poor specification of the units. In summary, these are as follows:

- Tampered floor finish to concrete floor with no visible evidence of DPM;
- Lack of insulation to walls and roof;
- Lightweight construction limiting the scope to upgrade the walls and roof to meet modern insulation standards;
- Eaves height of c.2.75m where the market general requires 6m plus for storage purposes;
- No mains services, save electricity;
- Not DDA-compliant.

For the purposes of a potential re-letting, the buildings used for storage with no staff facilities would be exempt from having an EPC. This would impact upon all buildings with the exception of Unit B. The use of these buildings without staff facilities would only be realistic in the context of remote storage which would therefore generate no on-site employment.

If we were to assume that there was wider market where people would be employed within the buildings, staff facilities would need to be installed and further upgrading required in terms of insulation to achieve an acceptable EPC rating. The lack of insulation to the floors, walls and roofs will make the interior of the buildings more susceptible to extremes of cold and heat. Traditionally the former would be overcome by the installation of heating; typically warm air blowers which in this location would be oil-fired due to the lack of gas to the buildings. However, we are aware from our Energy Consultant that the installation of space heating in an uninsulated building will impact on any EPC rating to the extent that based on an F or G, the space could not be relet or any existing lease renewed. It is unreasonable to expect staff to work in sub-standard conditions.

The inherent limitations in terms of shape and height impact on the rental value for the premises regardless of whether they could be upgraded to meet modern standards (both to meet occupier requirements and to achieve the EPC necessary to complete a formal letting), which in itself is in doubt. Commercial storage occupiers increasingly seek buildings with ever greater eaves height as they calculate the cost of storage based on a rate/pallet space rather than simply floor space. In their current form, even if they were in good repair (in our opinion), they would be unable to accommodate multi-level racking and are therefore only likely to attract interest from parties seeking cheap storage space, quite possibly remote from the occupier's core business, therefore offering limited (if any) "on-site" employment opportunities.

As such, the prospect of a commercial redevelopment of the subject land would (even setting aside commercial viability) likely tend towards a solution which would require buildings considerably higher than the existing buildings and with better facilities on the site in terms of areas for parking, turning and external storage. It would therefore represent a different prospect in terms of its appearance which would require justification by any such applicant.

Further, if built to the same scale, in terms of footprint and height, the development would not be economically viable as the rate per square foot would be limited by the height and shape of the buildings.



In our view, the cost of repairing and upgrading the properties to a modern specification is likely compare with the cost of them being fully redeveloped with new structures. The cost of such a development would be prohibitive to the current owner.

Availability of Industrial and Warehousing

We researched the availability of industrial and warehousing floorspace within reasonable proximity to the subject premises.

Having detailed knowledge of the location and having dealt with enquiries from occupiers' requirements over many years, we believe that a fair radius to be considered would be North of the M25 along the A1 corridor to the West of the subject premises as far North as Welwyn Garden City (c.11 miles distant from the subject premises) and the A10 corridor from Waltham Cross to the South and Hertford to the North (c.9 miles from the subject premises).

We attach Appendix 1 showing the availability of the industrial/warehouse floorspace in various individual locations which would be appropriate to businesses that might otherwise be interested in locating in Cuffley.

In total, there are 46 units ranging in size from 620 sq ft up to 10,524 sq ft. For the avoidance of doubt, there are additional buildings available in excess of 10,000 sq ft, but these have not been listed as they are not directly comparable to the size range offered at the subject site.

The majority of the properties listed are available on leasehold terms. Over recent years, landlords have accepted ever more flexible terms, and a typical commitment on a small building of the type listed would be just 3 years, enabling the tenant to relocate should their business needs change.

In the writer's opinion, the amount of floor space is fairly typical of general availability and has not materially increased during the current pandemic. Indeed, the industrial and warehousing sectors have been far more robust than other sectors of the property market. However, the market seems to be broadly in balance between supply and demand, evidenced by tenants still being able to negotiate rent-free periods, and repairing obligations being limited by a Schedule of Condition. In a market where demand exceeds supply, such concessions are gradually withdrawn as landlords seek to improve their position.

We are advised that the only space occupied on the subject site is used for storage and distribution purposes only with ancillary office accommodation. From our external inspection of the property, it does not appear that the current occupier has any special requirements in terms of access, loading, eaves height, or significant external areas for the storage of equipment or plant. Indeed, we would note that many occupiers would find the premises inadequate by virtue of their condition but also that through their configuration and height that the opportunity for straightforward storage is somewhat limited.

It is therefore likely that most industrial buildings of a suitable size for the occupier's business listed on our table would provide suitable alternative accommodation for the occupier or, indeed, any future occupier likely to take space at the subject premises.

Summary

The existing buildings are of very basic construction and have fallen into some disrepair. Due to their constraints, in terms of quality, eaves height, loading, and general specification together with their Planning use for storage purposes or as a livery yard only, they are only really suited for basic storage at economic rents.

The Landlord is responsible for repairs to the building and the rental value of the buildings does not support the significant upgrading of the premises whose basic encumbrances will remain. It does not therefore appear feasible that the existing buildings would be re-occupied under a commercial lease without very significant works being undertaken. The rental level which would be needed for that proposition to be viable would be uncompetitive given the other availability in the marketplace.



In the context of a theoretical commercial redevelopment scenario, it is very likely that any replacement storage units would have to be wholly different in character to reflect modern requirements in terms of eaves height (minimum 6m to underside of haunch), external appearance (typically, metal clad), and hardstands for loading and car parking.

The availability schedule prepared by reference to the main commercial property websites shows a significant amount of floor space being available within reasonable proximity to the subject premises (given their semi-rural location) in a range of sizes and of varying quality. Such research is likely to understate the amount of space available with transactions being conducted "off market" (including secondary accommodation such as this often through "private deals") and space currently under construction or refurbishment not being offered until closer to Practical Completion.

Yours faithfully,
For and on behalf of **DERRICK WADE WATERS**



Simon Beeton, MRICS
Director





APPENDIX 1

Industrial Properties in Hertfordshire

Date: 23/01/2020

Key:

Orange – Potters Bar
 Green – Welham Green
 Blue – Hatfield
 Yellow – Welwyn Garden City
 Red – Hertford
 White – Ware
 Grey – Waltham Cross
 Black – Hoddesdon

Address	Size	Source
Summit Centre, Summit Road, Potters Bar, Hertfordshire, EN6	3521sq ft	https://www.rightmove.co.uk/commercial-property-to-let/property-68698254.html
Devonshire Business Centre, Cranborne Road, Potters Bar, Hertfordshire, EN6	2249 sq ft	https://www.rightmove.co.uk/commercial-property-to-let/property-101150930.html
10 Alpha Business Park Travellers Close, Welham Green, AL9 7NT	2008 sq ft	https://propertylink.estatesgazette.com/property-details/6586303-modern-industrial-unit
2 Travellers Close, Welham Green AL9 7JL	5857 Sq Ft	https://propertylink.estatesgazette.com/property-details/6677045-2-travellers-close-welham-green-al9-7jl
Hill End Farm Warehouse, Hatfield Estate, Hatfield, Hertfordshire, AL9 5PQ	Detached unit - 7,785 Sq. ft End of terraced unit - 3,994 Sq. ft	https://d39qj8qlyfrchd.cloudfront.net/images/20201130/1-87073405.pdf



	Can be let as whole or separate	
11-13 The IO Centre, Hatfield	4,685 sq. ft	https://www.rightmove.co.uk/commercial-property-to-let/property-66644451.html
New Self Contained Industrial Unit, Unit 9 The Point Swallowfields, Hertfordshire, Welwyn Garden City, AL7 1WL	620 Sq Ft	https://propertylink.estatesgazette.com/property-details/6612345-new-self-contained-industrial-unit
Industrial Unit with Offices, Unit 14 Garden Court Business Centre Tewin Road, Hertfordshire, Welwyn Garden City, AL7 1BH	1048 Sq Ft	https://propertylink.estatesgazette.com/property-details/6669209-industrial-unit-with-offices
Semi-Detached Industrial Unit, 10B Blenheim Court Brownfields, Hertfordshire, Welwyn Garden City, AL7 1AN	1982 Sq Ft	https://propertylink.estatesgazette.com/property-details/6676923-semi-detached-industrial-unit
Unit 7, The Polaris Centre, 41 Brownfields, Welwyn Garden City, AL7 1AN	2585 Sq Ft	https://propertylink.estatesgazette.com/property-details/6660131-high-spec-business-unit-to-let
Unit 2, Polaris Centre, 41 Brownfields, Welwyn Garden City, Herts AL7 1AN	2360 Sq Ft	https://propertylink.estatesgazette.com/property-details/6649279-warehouse-and-offices-high-spec-business-unit-to-let-2-360-sqft-219-3-m
Alders Court, Watchmead, Welwyn Garden City, Hertfordshire	Unit 8 – 3252 sq ft Unit 7 – 1951sq ft Unit 6 – 1945 sq ft	https://propertylink.estatesgazette.com/property-details/6659119-8-alders-court-watchmead-welwyn-garden-city-hertfordshire
Workshop Unit with Offices, 4 Woodfield Road, , Welwyn Garden City, AL7 1JQ	3025 Sq Ft	https://propertylink.estatesgazette.com/property-details/6627075-workshop-unit-with-offices
14 - 15 Tewin Court, Welwyn Garden City, AL7 1AU	2180 - 4528 Sq Ft	https://propertylink.estatesgazette.com/property-details/6610387-14-15-tewin-court-welwyn-garden-city-al7-1au
Production Unit On Well Managed Estate, Unit 1 Mundells Industrial Centre Mundells, Welwyn Garden City, AL7 1EW	6854 Sq Ft	https://propertylink.estatesgazette.com/property-details/6506753-production-unit-on-well-managed-estate



Workshop / Yard with Offices, 29 Burrowfield, Welwyn Garden City, AL7 4SS	7695 Sq Ft	https://propertylink.estatesgazette.com/property-details/6607441-workshop-yard-with-offices
Unit 6, Mallow Park, Welwyn Garden City, AL7 1GX	7953 Sq Ft	https://propertylink.estatesgazette.com/property-details/6564275-unit-6-mallow-park-welwyn-garden-city-al7-1gx
36 Brownfields, Welwyn Garden City, Hertfordshire AL7 1AN	10,524 sq ft + 0.72 acre site	https://d39qj8qlyfrchd.cloudfront.net/images/20201123/1-86865667.pdf
Unit 3 Harforde Court, John Tate Road, Foxholes Business Park, Hertford	Unit 1 – 3221 sq ft Unit 2 – 3207 sq ft Unit 3 – 3217 sq ft Unit 4 – 3236 sq ft	https://d39qj8qlyfrchd.cloudfront.net/images/20210111/1-66138457.pdf
9 Fountain Drive, Mead Lane, Hertford, SG13 7UB	5,300 sq ft	https://propertylink.estatesgazette.com/property-details/6280183-9-fountain-drive-mead-lane-hertford-sg13-7ub
Unit 12 Centrus, Mead Lane, Hertford, SG13 7GX	8,234 sq ft	https://propertylink.estatesgazette.com/property-details/6647201-centrus-mead-lane
Various Industrial Units, Hertford Industrial Estate Caxton Hill, Hertford, SG13 7LY	Unit 4 – 4,667 sq ft Unit 5 – 4785 sq ft Unit 8 – 5,762 sq ft Unit 10a – 4,312 sq ft Unit 10c – 7030 sq ft	https://media.rightmove.co.uk/67v/66657/96132011/66657_36514LH_DOC_03_0000.pdf



	Unit 12 – 7,560 sq ft Unit 14 – 1,707 sq ft Unit 15 – 1658 sq ft	
Mimram Road, Hertford, Hertfordshire, SG14	Unit 10C - 1,189 sq.ft Unit 16C - 2,019 sq.ft. Unit 18B - 1,719 sq.ft	https://www.rightmove.co.uk/commercial-property-to-let/property-66788420.html
Unit 7, Crane Mead Business Park, Viaduct Road, Ware	4344 Sq Ft	https://propertylink.estatesgazette.com/property-details/6666433-unit-7-crane-mead-business-park-viaduct-road-ware
Unit 5, 46 Lea Road, Waltham Cross, Hertfordshire, EN9	8,573 sq. ft	https://www.rightmove.co.uk/commercial-property-to-let/property-89053490.html
Target House, 34 Lea Road, Waltham Cross, Hertfordshire, EN9	5,762 sq. ft	https://www.rightmove.co.uk/commercial-property-to-let/property-94627436.html
Unit 9, Maple Park, Essex Road, Hoddesdon	1830 Sq Ft	https://propertylink.estatesgazette.com/property-details/6656041-unit-9-maple-park-essex-road-hoddesdon
Unit 1, Brewery Road, Hoddesdon	4458 Sq Ft	https://propertylink.estatesgazette.com/property-details/6678011-unit-1-brewery-road-hoddesdon
Unit B Nicholson Court, Geddings Road, Hoddesdon	5266 Sq Ft	https://propertylink.estatesgazette.com/property-details/6592761-unit-b-nicholson-court-geddings-road-hoddesdon
6 Trident Industrial Estate, Pindar Road, Hoddesdon	9938 sq ft	https://propertylink.estatesgazette.com/property-details/6562003-6-trident-industrial-estate-pindar-road-hoddesdon



1 New England Industrial Estate, Pindar
Road, Hoddesdon 9653 Sq Ft

<https://propertylink.estatesgazette.com/property-details/6628131-1-new-england-industrial-estate-pindar-road-hoddesdon>