

## Newport Logistics Park

### **Opportunity arising from the proposed abolition of the Severn Bridge Tolls**

Both Conservative and Welsh Labour election manifestos include a commitment to abolish the tolls on the Severn Bridge and Second Severn Crossing. This news provides a material change in circumstances, in so far as strategic planning for the logistics market (Use Class B8) is concerned.

### **Background**

As the economy becomes increasingly 'just in time' for both consumers and business, so we have seen increased demand across the UK for bespoke logistics facilities.

The specific requirements of distribution companies (in terms of high eaves height, dock level loading, extensive parking / circulation and 24/7 operations) has led to the development of new 'build to suit' units as second-hand units are often too difficult to retrofit.

In South Wales we have seen a small number of major new-build projects completed with Aldi in Wentloog, Cardiff (454,000 sq ft), DPD Geopost in Wentloog (60,000 sq ft) and Bidvest in Newhouse Park, Chepstow (180,000 sq ft refurbishment rather than new-build). Lidl has also constructed a large extension to their existing regional distribution centre at Waterton, Bridgend.

Across South Wales, there are only a very small number of regional distribution centres with only Wilkinsons (Magor) and Amazon (Fabian Way, Swansea) being genuinely footloose projects – as opposed to facilities serving the South Wales conurbation (such as foodstore operators).

### **Competition from Avonmouth**

The development activity in South Wales is small scale compared to that seen in Avonmouth. This trend is diverting investment and jobs away from Wales.

At Central Park, Avonmouth some 2.4 million sq ft of high bay distribution warehousing has been developed in the last 18 months across seven separate transactions – DHL, Lidl, The Range, Mountpark, Davies Turner, Farmfoods and Chep.

See <http://www.centralparkbristol.co.uk/> . There are other schemes also available in Avonmouth however this will give an idea of the scale of land availability in this area.

# Ideas for an Industrial Strategy for Wales



## Central Park, Avonmouth – indicating the scale of B8 development activity



Aside from Avonmouth's location at the junction of the M4/M5, there are, perhaps, three main reasons why South Wales has lagged in terms of B8 activity:

- 1) **Severn Bridge tolls** – to be reduced by in early 2018 with complete abolition now promised under various election manifestos.
- 2) **M4 Corridor around Newport** – the proposed M4 Relief Road (Public Inquiry ongoing) would address this and create a safe, resilient primary route through to central and west Wales.
- 3) **No allocated development land** – no specific distribution park (Use Class B8) in south-east Wales.

### Criteria for new logistics park

With action being taken on points 1 & 2, it is time to address the lack of allocated development land. This requires a site fulfilling the following criteria:

- a site of scale (minimum 200+ acres)
- located in south-east Wales - between Cardiff and the Severn Bridges
- located away from housing to allow 24/7 operations
- with swift communication links to the M4

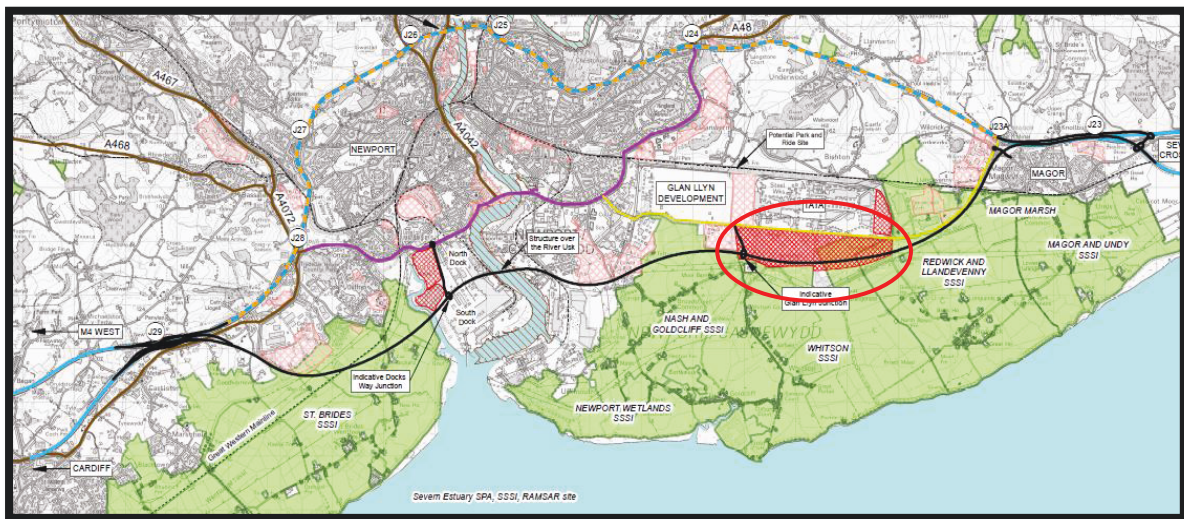
# Ideas for an Industrial Strategy for Wales



## Proposal

Develop a bespoke logistics park on land in south-east Newport – on brownfield land located between Queens Way (Glan Llyn & Celtic Business Park) and the line of the proposed new M4 black route. This area is currently dominated by large brownfield sites occupied by processing works for the Llanwern Works, much of which is now redundant.

**Figure 1: Plan illustrating proposed M4 relief road (black route) and location of potential new logistics park.**



## Next Steps

**Planning** – liaison with Welsh Government’s strategic planning team to incorporate in the new National Development Framework and forthcoming Strategic Development Plan.

**Planning** – liaison with Newport City Council.

**Land Ownership** – St Modwen & Tata.

**Strategic** – nominate as a key project for the City Deal?



18<sup>th</sup> May 2017