

# Cottam Brickworks, Cottam Avenue, Preston – Delivery Options Report

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Cottam Hall Properties Ltd

February 2025

# Contents

1. Brief
2. Location & Site Overview
3. Planning
4. Retail Market Overview
5. Operator Demand and Delivery Options Assessment
6. Summary

1

**Brief**

Savills was originally instructed by Cottam Hall Properties Ltd to prepare a Delivery Options Report in respect of the commercial element of the Former Cottam Brickworks site, Cottam Avenue, Preston in December 2023.

This report provided an overview of the retail market assessing demand and delivery options for the site. At a high level, it will also consider alternative uses within the planning permission. We have recently completed a desk top review of the Delivery Options Report to check and update our earlier findings.

# 2

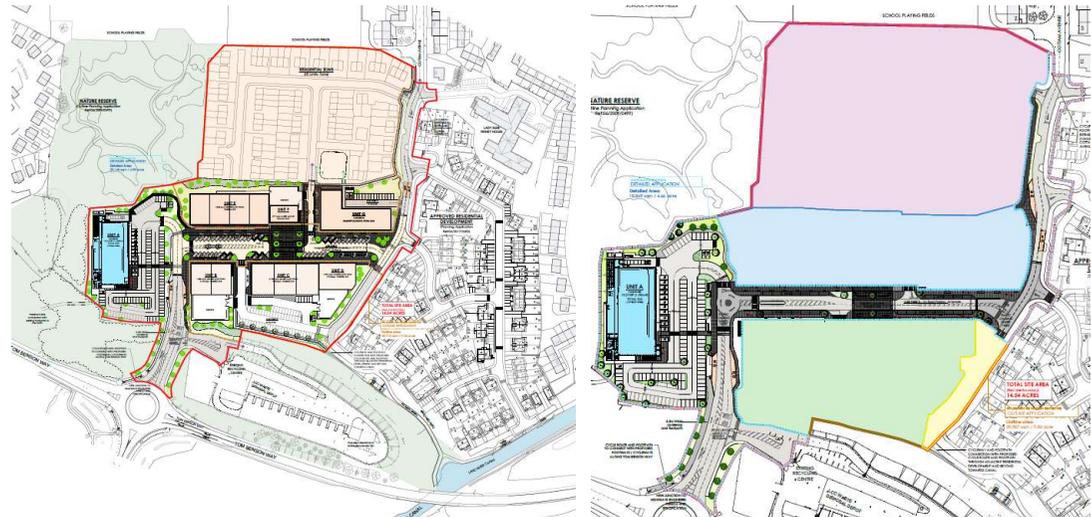
## Location & Site Overview

## Location:

The Cottam Brickworks site is located in Ingol, an electoral ward and suburb of Preston, Lancashire. Preston is located 14 miles to the east of Blackpool via the M55 and 12 miles to the west of Blackburn via the A677 (Preston New Road). The village of Cottam, which sits within Ingol, has been identified in the Central Lancashire Core Strategy as a Strategic Site for development, and will deliver a major urban extension of the village.

## Situation and Description:

The subject site extends to 5.88 hectares (14.54 acres) and is located approximately 2.6 miles from Preston city centre. The site is situated off the B6241 (Tom Benson Way) and comprises greenfield land as well as the former Cottam Brickworks site. The surrounding area is predominantly residential with new build dwellings on the southerly border of the site, further residential dwellings on the northern boundary, as well as a community hub and two primary schools to the east. Immediately to the west is the Preston Household recycling centre, which will have modified entrances to accommodate the delivery of the new scheme. Further west are more new build dwellings as well as the UCLan University Sports Complex.



3

**Planning**

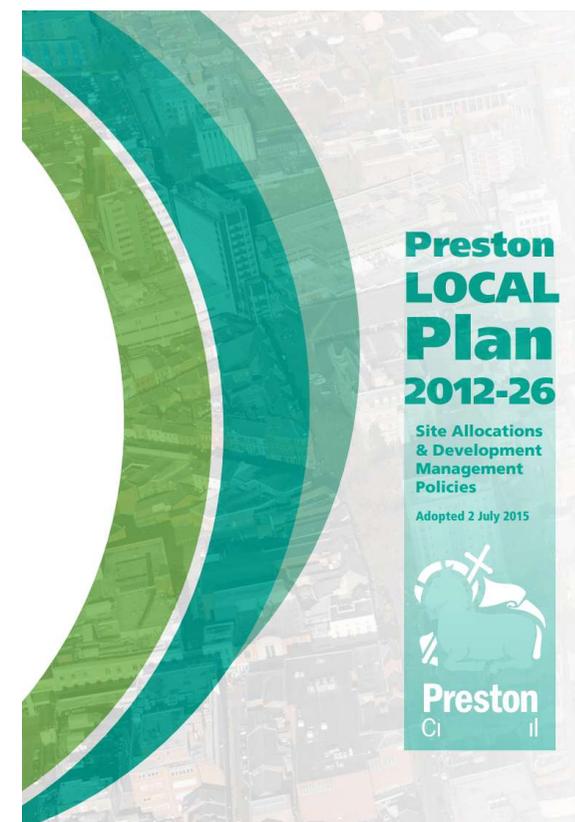
# Relevant Planning Policy

## Preston Local Plan 2012-2026

In accordance with Central Lancashire Core Strategy Policy 1 to deliver economic growth and sufficient levels of new housing, Cottam has been identified as an area for major development to support the Cottam Strategic Site (Allocation MD1) and North West Preston Strategic Location (Allocation MD2).

The subject site is allocated for a District Centre under Policy EP3. The allocation permits mixed use retail and commercial development that supports the role and function of the District Centre. The Preston Local Plan outlines that a range of uses will be encouraged including a supermarket, food and drink, leisure uses, public and community uses and other uses complementary to local shops.

The range and mixture of uses are proposed in order to enhance the delivery of the adjacent Cottam Hall site by addressing sustainability deficiencies in the area, such as proximity to a foodstore and employment provision.



## Obtained Planning Permission

Alongside the approved erection of a retail foodstore (1,785 sq m), this Deliverability Options Report refers to the outline planning permission granted for:

(i) the erection of up to 11,425 sq m (122,978 sq ft) of flexible use commercial floorspace for A1, A2, A3, A4, B1, C3 and D1 uses with up to 229 car parking spaces; up to 89 no. residential dwellings; and associated landscaping, car parking, servicing and open space;

### And

(ii) Detailed vehicular access for retail/commercial area (the village centre) including access arrangements from Tom Benson Way and Cottam Avenue and a detailed point of vehicular access to the proposed residential area.

## Use Options

- (i) Retail (A1) (E)
- (ii) Financial and Professional Services (A2) (E)
- (iii) Restaurants & Cafés, Drinking Establishment (A3, A4) (E)
- (iv) Offices, R&D, Light Industrial (B1) (E)
- (v) Residential (C3)- discuss in conclusion
- (vi) Non-Residential Institutions i.e. clinics, health centres, day nurseries, day centres, museums, public libraries etc. (D1) (E)

NB. Following the submission of this application in January 2020, the implementation of the revised use-class order in September 2020 has now merged A1, A2, A3, A4, B1 and D1 (in part) to be referred to as Class E (Commercial, Business and Services).

# 4

## Retail Market Overview

# Retail Context – Site Overview

- The subject site is situated in a residential suburb at the intersection of the two main roads serving the area (B6241 Tom Benson Way and B5468 Cottam Way).
- The size of the Cottam site and the floor area consented under the planning permission means it can accommodate a significant amount of retail, leisure, roadside and other commercial uses subject to occupier demand.
- There are no daily traffic figures available from the Department for Transport for the local highways and, whilst they remain reasonably busy through the day, they do not serve as prime arterial, commuter routes into and out of Preston, such as the A583, A6, A59 etc.
- Many retailers, particularly purely roadside operators, will seek to choose high profile locations with daily traffic flows in excess of 20,000 vehicles. By way of comparison, the two nearest arterial routes into Preston to Cottam carry the following daily traffic numbers:-
  - A6 Garstang Road (at M6 junction) – **22,369**
  - A5085 Blackpool Road – **14,344**
- Visibility to a large area of the site is significantly restricted by the presence of the council recycling centre. This also results in the site being set back from the main road.
- Whilst we have not had an involvement with Aldi and their negotiations, it is our assumption Aldi have chosen the location of their plot on the site in order to secure the nearest area of the site to the entrance which, with the aid of significant signage, will be visible to the roundabout.
- Medium to large format foodstores are by nature destination operations, but many other retail occupiers insist on being located within a large critical mass of retailers either on a retail park or clustered together. Where this is not achievable and they are standalone, they require high profile, accessible locations with extensive visibility to attract customers. This, coupled with the suburban nature of the location of the site means that it is at a significant disadvantage to the other established out of town relocations in Preston, meaning it is more local/district in nature.



# Retail Market Overview



- There is limited large convenience store provision within the Cottam/Ingol area with the main immediate provision being local C-stores typically less than 3,000 sq. ft. in size. The nearest larger convenience stores historically serving the area are Sainsbury's Deepdale store to the east and Morrisons in the Docklands to the south.
- A more recent addition is the Eastway Hub development, approximately 2 miles to the north-east of the site on the same B6241 Road and so easily accessible for Cottam residents. Lidl anchor this scheme together with a small terrace of pod units and a Costa Coffee drive-thru store.
- The wider Preston out of town non-food retail warehouse sector is a mature market which is well established in various locations across the city. These include:–
  - **Docklands** – Mariners Way (Morrisons, B&M, ScS); other 2/3 unit and standalone retail warehouse developments.
  - **Deepdale** – Deepdale Shopping Park (dominant, fashion-orientated with some traditional bulky goods); Tesco and other standalone non-food retail in vicinity.
  - **Capitol Centre** – Large retail and leisure scheme on southern approach to Preston comprising multi-let food and non-food retail park and cinema-anchored leisure.
  - **Queens Road/central Preston** – Discount food and non-food retail park with other solus retail in vicinity.
  - **Bamber Bridge** – Adjoining M6/M65/M61 intersections to south of Preston comprising B&Q Warehouse, Sainsbury's, Matalan etc.
- Preston is therefore very well supplied with strong out of town retail schemes and clusters in high profile locations and, whilst the void rate is low, demand is generally being satisfied across these other locations and schemes.

5

**Operator Demand and  
Delivery Options  
Assessment**

# Retail: Non-food Warehousing / Leisure

- The most likely large format retailers who would traditionally be attracted to sitting alongside a discount food store would include value non-food retailers in more secondary retail locations, typically the likes of B&M, The Range, Home Bargains, Poundland etc. These occupiers represent the strongest covenants in the sector and therefore in some cases it is possible to deliver new build developments if they can be persuaded to enter in to 15-year leases. However, as stated above, Cottam will not compete with the other established retail locations in Preston and in addition these retailers are already represented in the city for example as follows:-
  - **B&M** – Docklands; Ringway (edge of city centre); Ribbleton Lane. All stores are large format with typical requirements of 20,000-25,000 sq. ft plus 7,500 sq. ft garden centre and 120 parking spaces (c 2 acres).
  - **The Range** – Queens Retail Park. Located on central ring road/bypass serving the whole of Preston from its central location. Typical requirement is 30,000-40,000 sq. ft. plus 10,000 sq. ft. garden centre and 150 parking spaces (c 2.5/3 acres).
  - **Home Bargains** – City centre; Deepdale; Capitol Centre. Typical requirement 15,000-20,000 sq. ft. +, but generally seeking freeholds.
- We advise that attracting one of these retailers to Cottam will be extremely challenging at best. Other retailers with weaker covenants may consider, but financial viability becomes an even greater issue.
- **Leisure** operators are even more careful with their choice of locations. It may be possible to attract a health & fitness operator seeking c.10,000-15,000 sq. ft to the site due to the amount of residential in the area and the lack of competition in the immediate vicinity. Other leisure uses will tend to focus on the established leisure locations in and out of town.
- In summary, whilst Cottam represents a significant expansion of residential provision within Preston with, therefore, this additional consumer spending power and has secured a discount food store anchor in the form of Aldi, the city is already well provided for in terms of non-food retail warehousing and most leisure sectors.



- The roadside sector remains buoyant at present with many roadside requirements from food and beverage operators (F&B) by way of drive-thru formats alongside other motor/travel-related services.
- Cottam will be seen as a suburban area with much lower levels of traffic in comparison to other areas of Preston which have major arterial routes into and out of the city for commuters and destination uses. With the limited visibility to the roadside from the site due to the recycling centre, F&B operators are often unwilling to trade from this type of site due to a limited presence to the main road and only a discount foodstore alongside.
- We are of the opinion that demand from roadside occupiers would be limited without a further considerable scaling up of the retail critical mass, which is unlikely given the wider conclusions in this report.
- The roadside sector has also seen considerable growth in new-to-industry sites for traditional fuel filling stations as well as new electric vehicle charging (EVC) hubs. However, once again, they would likely wish to see much more visibility and presence to a greater traffic flow to support the business case for the considerable investment required.
- In summary, the limited retail critical mass, limited roadside visibility and relatively low traffic flows, the site won't appeal to the roadside sector.

# Retail Comparables

- **B&M** – agreed a lease on the 35,000 sq. ft. former Homebase unit on Mariners Way, Docklands on a very strong secondary retail park on a 10-year lease at a rent of £10 per sq. ft. with 12/18 months' rent free in 2020/21.
- **Eastway Hub** – Savills were involved in the development and leasing of this scheme with Lidl and Costa secured at an early stage. The terrace comprised a total of approximately 7,000 sq ft which could be subdivided into up to 6 units. The leasing of the space in this terrace proved more difficult and after much marketing, lettings were concluded to occupiers including a tanning centre, Age Concern charity shop, dentist surgery and Subway. Rents achieved were in the region of £20 per square foot on lease terms generally of five years term certain. The site sale to Lidl and the letting to Costa on a long-term lease were what enabled this element of the scheme to be delivered.
- **Other non-food retail warehousing** – rents range from £15 psf to £35 psf on secondary to prime retail warehousing in Preston.
- **Investment yields** for secondary locations have softened to in excess of 7/8% this year for retail warehousing and softer (double-digit) yields for smaller format retail.
- **Build costs** for retail/leisure can range from £120 to £180 psf.
- Based on our experience of recent retail warehouse development, optimum conditions required to enable scheme viability are:
  - A **15-year lease** commitment
  - Let to a **strong covenant** e.g. B&M or The Range
  - Minimum rent of **£14 - £15 per sq. ft.**
- Even if we were able to convince the retailers of the location, we are of the view it will be challenging to persuade them to go to this level of rent especially given their existing coverage in the city, resulting in significant concerns towards scheme viability for district centre scale retail provision.



# Retail Summary



- Overall, we are of the opinion it will be very challenging to secure significant additional demand from the retail, leisure and roadside sectors which will be sufficient in scale to deliver a second phase. The site is more likely to be a small district centre with perhaps a terrace of small retail units to sit alongside Aldi.
- Some local and small format regional/national operators may consider the site due to Aldi's presence, albeit lack of prominence will be an issue. However, based on our experience on Eastway Hub, we would advise that the viability will be highly questionable and that delivering terraces of smaller units is often impossible without cross-funding from other uses.
- In summary, we are not advising that delivery of a scheme is impossible, but a realistic view needs to be taken of the chances of success.

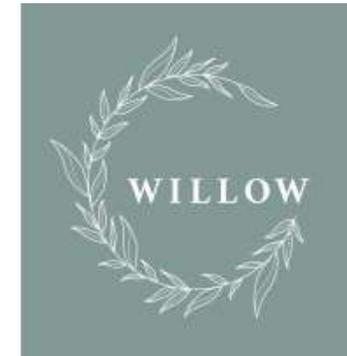
# Licensed Leisure

Our licensed leisure team have highlighted how difficult it is to find an operator who is willing to construct a new build scheme as opposed to acquiring existing sites due to the significant capital expenditure required.

Relevant active requirements include Willow, part of the Paragon Group, which are seeking to expand their portfolio with 3,000-4,500 sq ft units.

Brunning and Price Limited also have a Preston requirement but ideally for existing pub sites, or conversions of commercial, farming or residential buildings may be considered.

There are no specific new build requirements which reinforces the comments of our agency team that it is unlikely to be viable in this location.



# 6

## Summary & Delivery Advice

# Delivery Options Summary



Use	Comment	Active Operators	Potential Requirement
Non-food Retail	<ul style="list-style-type: none"> <li>There is already a strong provision of retail warehousing in the city which would impact interest of the subject site and subsequent viability of a scheme.</li> <li>Advise that further demand for non-food retail is not there.</li> </ul>	<ul style="list-style-type: none"> <li>B&amp;M</li> <li>The Range</li> <li>Home Bargains</li> </ul>	<ul style="list-style-type: none"> <li>Active operators are well represented in Preston</li> </ul>
Leisure	<ul style="list-style-type: none"> <li>Feasibility even more challenging than non-food retail warehousing due to less prime location and need for critical retail / leisure mass.</li> <li>High residential mass and lack of competition in immediate area provide some positive conditions for health &amp; fitness use.</li> </ul>	<ul style="list-style-type: none"> <li>Possibility to engage with Health &amp; Fitness Operators</li> </ul>	<ul style="list-style-type: none"> <li>c.10,000-15,000 sq. ft</li> </ul>
Food Retail	<ul style="list-style-type: none"> <li>Assume Aldi have a form of food restriction on site.</li> <li>May be scope for food retailers which are not considered as direct competitors to Aldi to sit alongside, but challenging.</li> <li>Some would require small freehold plots; others would sign leases of up to 10 years which leads to viability issues due to the lease being less than a 15-year term.</li> <li>Advise that further viable demand for food retail is not there.</li> </ul>	<ul style="list-style-type: none"> <li>The Food Warehouse</li> <li>Farmfoods</li> <li>Heron</li> </ul>	<ul style="list-style-type: none"> <li>5,000-12,000 sq. ft</li> </ul>
Roadside	<ul style="list-style-type: none"> <li>Despite the sub sectors buoyant state, low traffic volume and poor direct visibility make the subject site an unattractive location for roadside/drive-thru F&amp;B operators.</li> <li>Advise that demand for roadside is not there for this site.</li> </ul>	<ul style="list-style-type: none"> <li>Drive Thru</li> <li>EVC Hub</li> </ul>	
Offices	<ul style="list-style-type: none"> <li>Preston has a localised office market and is a satellite destination for some occupiers.</li> <li>Locationally, the sites' distance from the centre of Preston, and in a residentially-focused area, impacts the demand further.</li> <li>Advise that demand is not there for new-build offices.</li> </ul>	<ul style="list-style-type: none"> <li>Local businesses</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Licensed Leisure	<ul style="list-style-type: none"> <li>Licensed leisure team advise that a new build unit would be unviable due to large capital expenditure required to build.</li> </ul>	<ul style="list-style-type: none"> <li>Willow</li> <li>Bunning &amp; Price</li> </ul>	<ul style="list-style-type: none"> <li>3,000-4,500 sq ft</li> </ul>
Residential	<ul style="list-style-type: none"> <li>We advise there would be further demand for residential at the subject site.</li> </ul>	<ul style="list-style-type: none"> <li>TBC</li> </ul>	<ul style="list-style-type: none"> <li>TBC</li> </ul>
Non-Residential (Care/Extra Care Provision)	<ul style="list-style-type: none"> <li>We advise there would be demand within the D1 use class at the subject site.</li> </ul>	<ul style="list-style-type: none"> <li>TBC</li> </ul>	<ul style="list-style-type: none"> <li>TBC</li> </ul>

# Report Summary



- We conclude that the outlook on the viability of additional retail to Aldi on the whole site presents clear challenges due to the suburban nature of its location, poor road visibility, high build costs demanding strong covenants with long-term lease agreements and anticipated lower demand due to the current retail provision in nearby areas of Preston. The delivery of a retail scheme is not impossible, but the scale will be limited to small scale district centre, including Aldi and a handful of small retail units.
- Licensed Leisure also presents itself as an unviable option due to the capital expenditure required to construct a new build unit which is reflected in active requirements for existing stock or suitable commercial conversion.
- Due to the localised office market in Preston, and the fact that it is a satellite destination for some companies, our office agency team have advised that we anticipate there to be little to no demand for new-build offices (including R&D & Professional Services) within the site.
- In summary, generating demand for commercial uses on the subject site will be challenging, but following internal discussions we do believe there would be further demand for residential. It is anticipated that there could also be demand for extra care and/or care provision.

# Important Notice



Finally, in accordance with our normal practice, we would state that this report is for general informative purposes only and does not constitute a formal valuation, appraisal or recommendation. It is only for the use of the persons to whom it is addressed and no responsibility can be accepted to any third party for the whole or any part of its contents. It may not be published, reproduced or quoted in part or in whole, nor may it be used as a basis for any contract, prospectus, agreement or other document without prior consent, which will not be unreasonably withheld.

Our findings are based on the assumptions given. As is customary with market studies, our findings should be regarded as valid for a limited period of time and should be subject to examination at regular intervals.

Whilst every effort has been made to ensure that the data contained in it is correct, no responsibility can be taken for omissions or erroneous data provided by a third party or due to information being unavailable or inaccessible during the research period. The estimates and conclusions contained in this report have been conscientiously prepared in the light of our experience in the property market and information that we were able to collect, but their accuracy is in no way guaranteed.

**Savills (UK) Ltd**  
**February 2025**