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**Proposed Phase 3 Development at Axis J9, Howes Lane, Bicester.**  
**Summary Market Commentary - Bicester Warehouse and Industrial Market**

VSL and Partners has been asked by Albion Land to provide a market commentary in respect of the company's proposals to develop further industrial and warehouse buildings at Axis J9, Howes Lane totalling approximately 16,536 sq m. The proposals would constitute a third phase of development at Axis J9 following the highly successful initial phases which will be completed by the end of 2021 and are likely to be fully let by that time. Following a period of significant industrial and warehouse development activity in Bicester in recent years, occupier take up rates have outstripped expectations and there is now a negligible supply of available new or modern units. In order for Bicester's rapid economic growth to continue, further development such as proposed by Albion Land is essential.

**Axis J9 – Development to Date**

Albion Land commenced the construction of buildings at Axis J9 in mid-2019 with the intention of developing a multi-unit industrial and warehouse development which would enable local business to grow and attract new companies to the town in order to generate high quality employment. This approach has been a great success and the key points are as follows:

- Phases 1 and 2 total almost 46,451 sq m of high quality employment accommodation in a total of 14 units. The unit sizes range from 344 sq m to 14,864 sq m and have attracted a mix of local, national and international businesses.
- Phase 1 of circa 21,367 sq m was completed in mid-2020 at the height of the Covid pandemic but was still let and occupied rapidly. The individual buildings are now in a diversity of uses ranging from traditional storage, light industrial and specialist technology based manufacturing. Occupiers include established local businesses such as React Industrial Solutions, Pursuit Racing and House 2 Home Removals plus significant new occupiers for Bicester, in particular Arrival (software and electrical vehicle innovation) and Origin Doors (manufacture of aluminium doors and windows).
- Phase 2 comprises units of 8,361 sq m and 14,864 sq m which is under construction. The larger unit is just reaching completion and the smaller unit will complete in December. Both units are under offer at the time of writing with the proposed uses including technology based manufacturing, food production and distribution.
- All development at Axis J9 satisfies stringent environmental targets. The use of PV panels, ground source heat pumps, sustainable drainage systems have helped achieve a zero carbon development with a BREEAM rating of Very Good and an EPC rating at A. These attributes make them attractive to modern businesses – many of whom have set themselves environmental and sustainability targets.

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### **Other Recent Development in Bicester**

- There have been two other substantial industrial and warehouse developments in Bicester in recent years; Link 9 at Skimmingdish Lane which was also developed by Albion Land and Symmetry Park on the Aylesbury Road.
- Link 9 totals approximately 51,096 sq m is now fully built and occupied. Like at Axis J9, Albion Land's approach was to develop a high quality multi-unit estate to attract local, national and international companies in the manufacturing and logistic sectors. Unit sizes ranged from 1,300 sq m to 14,864 sq m and were all let before completion or within a few months. Notable occupiers at Link 9 include Bakel (an expanding Bicester food production company), Teknos (a Finnish paint company) and Arrival (software and Electric Vehicle innovation).
- Symmetry Park is aimed squarely at the logistics market and to date a total of approximately 39,019 sq m has been built and occupied in units ranging from 5,574 sq m to 14,864 sq m. Uses at the Park are B8 only and notable occupiers include Ocado, DPD and Medline Services. We understand that planning permission has been granted for the remaining land at Symmetry Park to provide a logistic unit of approximately of 25,083 sq m and that construction is planned for 2022.

### **Bicester Industrial and Warehouse Market – Looking Forward**

Bicester has proved to be a very popular location for companies in the manufacturing and logistic sectors and the recent developments in the town have attracted significant new national and international companies to the town whilst enabling established businesses to expand. The attractions of Bicester to modern manufacturing and logistic companies have been proved and the town is now recognised as an exciting growth area. At VSL we are aware of significant levels of further occupier demand from manufacturing and logistic operators and fellow commercial property agents report the same. Yet unless Phase 3 at Axis J9 is brought forward without delay in 2022, there will be no new individual buildings below 25,083 sq m for occupiers to consider next year and the economic growth of these sectors in Bicester could falter. The key considerations are:

- Recent development at Axis J9 (phases 1 &2), Link 9 and Symmetry Park have demonstrated the high levels of occupier demand for Bicester. In particular, the multi-unit estates created by Albion Land at Axis J9 and Link 9 which have been aimed at a spectrum of users from storage, logistics, light industrial and specialist manufacturing have proved to be particularly successful. These are now fully occupied or under offer.
- Albion Land are developing Catalyst Bicester which will eventually total approximately 26,941 sq m in a range of unit sizes. However, Catalyst is a technology park for knowledge based industries who require hybrid buildings with high office content in a parkland setting. This is an active property sector particularly as the Oxford to Cambridge Knowledge Arc matures and there are increasing numbers of well-funded technology based spin outs from Oxford University. However, Catalyst is not a suitable choice for traditional light industrial, manufacturing, warehousing and logistic operators of the type who have located to Axis J9, Link 9 and Symmetry Park.
- Other than the single 25,083 sq m logistic unit planned at Symmetry Park, we are not aware of any other proposed development in the logistic sector and there are no substantial proposed developments to cater for light industrial and manufacturing in Bicester.

### **Suitability of the Axis J9 Phase 3 Proposals**

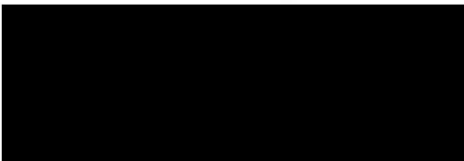
VSL has been provided with a copy of the proposed layout plan for Phase 3 (SK009) and Albion Land have explained that the new units will be of a similar design and specification to Phase 1 at Axis J9. VSL understand that the aim is to start speculative construction early in 2022 in order for the units to be ready for occupation in the final quarter of 2022. VSL consider these proposals to be ideally suited to match the occupier demand for Bicester, the key points are:

- Phase 3 will cater for smaller and young expanding companies with a range of 6 units between 297 sq m and 483 sq m. These are likely to be prove particularly attractive to local companies in the warehousing and light industrial sectors.

- Phase 3 will also cater for the 'mid box' sector with 5 units in the range from 1,783 sq m to 4,756 sq m. Units of this size are in particularly low supply in Bicester and across the Cherwell region with many developers focusing on larger warehouse facilities of 9,290 sq m plus. The units are most likely to appeal to regional and national companies in the logistic and manufacturing sectors. We would anticipate that a number of such occupiers will be associated with the supply chain to Arrival who as previously mentioned are major occupiers at both Axis J9 and Link 9.
- As with phase 1 & 2 at Axis J9, the units will benefit from large service yards, good loading facilities and designated car parking. In the 5 larger units, grade A open plan offices will be provided at first floor. These features have proved popular on previous phases.
- The development will also benefit from a range of environmental features including PV panels and ground source heat pumps in order to achieve a zero carbon development, BREEAM Very Good and an EPC rating at 'A'. These are increasingly key considerations for occupiers.

VSL advise that, the proposed units will help to satisfy a severe shortage of supply in and around Bicester of industrial, manufacturing, warehouse and logistic units and that delivery in 2022 will help to maintain the level of inward investment and economic growth experienced in Bicester over recent years. The units are likely to let rapidly, and we would anticipate that the majority will be pre let prior to construction completing. Without such development next year, there will be no new units available in the town and this will have a negative impact on economic growth.

Yours faithfully



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