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Staffordshire  
ST13 5HE

Our ref: SJH/08510/DHV02231

Your ref:

Date: 24<sup>th</sup> July 2008

Dear Mr Taylor

**Re: London Mill London Street Leek Staffordshire ST13 5LD.      Marketability report on potential redevelopment for mixed uses including ongoing employment use**

Following our recent discussion I now attach my views with regard to the marketability of a potential redevelopment for mixed uses including ongoing employment use.

In the report previously submitted Daniel and Hulme have assessed the market demand and relative attraction over other competing sites in Leek for hotel, retail, offices and residential use. The report concluded that there was no viable alternative use other than the proposed residential development.

The present report considers a mix of uses together with employment under Use Classes B1, B2 and B8. The main Issues considered are as follows;

- Identification of demand
- Assessment of user market location and site requirements
- Assessment of site characteristics/ restrictions and layout restrictions at the London Mill site
- Limitations imposed by town planning considerations
- Consideration of cost/ development value and viability

**Factors affecting market image:** the GVA Grimley Retail Study of September 05 gives an account of this part of the town. "The shopping centre loading area fronts Brook Street, giving a lack of an active street frontage, and the area distinctly feels lower order when observing the town centre as a whole. The Aldi food store/ car park contributes to poor visual continuity of the street and the single storey Smithfield shopping parade makes the area ill fitting with the rest of the town".

## Review of potential uses

**Residential:** See Design Access Statement and Marketability Report

**Budget hotel:** the pressure for a hotel and attempts by the District Council to enable to such a development have been ongoing for many years which only indicates that at best the attraction to hotel chains is only marginal. The hotel operator would undoubtedly select a site with a high market profile in a key location, plainly visible and with immediate access to the road network connecting the Town. It is clear a hotel operator would not select the London Mill site because of its lack of prominence, poor visibility and low market image, and the physical difficulties associated with access to and from the site.



**Restaurant or public house specialising in food/ restaurant development:** again, selection of a site which has prominence to a main road, preferably a location on the road network connecting the town or quality gateway location is of key importance. A fairly level site would also be preferred. Overall area of approximately 0.6 acre (0.25 hectares) is required to be sufficient to accommodate a substantial sized surface car park. Other desirable locations are in the very heart of the town, possibly located on a major square or junction where town centre parking is readily available. It is clear that use of part of the London Mill site, would be regarded by brewery developers and restaurant chains as unsuitable.

**Childrens' nursery:** the selection of a suitable site is of key importance. Sites are normally selected in established quality residential areas, visible and prominent on a main road location, the required building being of single storey, approximately 4,500 ft<sup>2</sup> (450m<sup>2</sup>), accommodating up to eighty children, with 20 – 25 car park spaces for staff, visitors and parents. The building would open up onto secure landscaped gardens for outside activities. The site would be landscaped and extend to approximately 0.5 of an acre, which is just more than half of the site available at London Mill.

I consider a nursery operator would judge the London Mill site as unsuitable because of its poor quality market image of Brook Street and the general poor ambience associated with mixed uses in London Street and Duke Street, and indeed the possibility of further mixed use introduced in the new London Mill development.

**Retail:** only the frontage to Brook Street could be regarded as potentially attractive and then only for secondary retail. It is clear that an operator for a typical 10,000 ft<sup>2</sup> (1000m<sup>2</sup>) food store, would require a prominent market frontage and, of critical importance, a level site. The steeply sloping site and narrow frontage available to Brook Street make the site unviable.

The summary of the GVA Grimley Retail Study of September 05 (Para 7.29) identifies "that there is a qualitative need for higher-order comparison retailers in the town centre. Presently, there is a proliferation of lower order operators in Leek, which do not, either individually or collectively enhance Leek's position as the District's main retail centre or attract shoppers from more marginal catchment zones." The location of London Mill on the fringe of the town centre make the site unattractive for this preferred retail occupiers.

Concerning the development of secondary retail at the Brook Street frontage, it is likely that the barriers of a poor market image, narrow footpaths and busy main road, together with the difficulties of unloading deliveries and customer drop off it would render any development unviable, unless offered at very low uneconomic rents.

**Leisure/ gymnasium:** interest would be from a national operator and would comprise a range of sports and leisure facilities with a requirement for 10,000 ft<sup>2</sup>/ part two storey building with large surface car park for seventy to eighty cars. Developments of this sort are most frequently associated with major new regeneration/ expansion proposals, typically at the edge of town or a prestigious gateway route. A level site would be required. The GVA Grimley Retail Study of September 05 (Para 7.33) comments "It is also noticeable that there are no leisure requirements for Leek at this time and this is potentially reflective of both the proximity of Leek to the North Staffordshire conurbation in particular but also the relatively undeveloped leisure offer within the town".

The London Mill site would not be attractive to a leisure developer, it does not have the required characteristics for this type of operation and demand when it occurs will be taken up on other more suitable locations. A development of this type is too big for the site and would not allow for other mixed uses.

**Employment:** B1, B2 and B8 - only B1 use is considered since B2 and B8 would not be acceptable in planning terms.

**B1 employment uses:** offices, research and development, light industry, appropriate in a residential area. The Atkins Report on Employment has identified a very marginal growth in demand for offices in Leek of only 960m<sup>2</sup> in the foreseeable future and this has been identified for professional consultants. A separate review of office development is considered below.



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**Development of B1 light engineering units** –The attached layout (See Christopher Taylor Design Limited AK3) shows a typical layout such as the Leek Town Yard scheme of 600 to 800 ft<sup>2</sup> (60 to 80m<sup>2</sup>). Generally a flat site is required with access for unloading by a variety of vehicles including vans, also lorries and on occasion articulated vehicles. Space is required in front of the units for unloading and temporary storage of materials and external working and also car parking is required normally at the rate of two spaces per unit.

Specific issues at London Street are the topography of the site where the land steps up from Brook Street fairly immediately by a storey height with two further similar steps before the area of land occupied by the atrium scheme. These plateaus of land are steeply sloping and require careful arrangements for vehicular access from the street, as well as costly remodelling in any development. As the layout shows there is insufficient room for turning delivery vehicles within the site and therefore, as Masons had found, the only effective way to provide for deliveries/ collections by large vehicles is to have an entry from Duke Street and an exit into Cornhill Street.

On this basis the layout of four units nearest Duke Street is a practicable proposal, however because the road access through the site would require to be ramped from the higher plateau to the middle plateau exiting in Cornhill Street, deliveries and loading to the units occupying the central section of the site would be difficult to service. Clearly, a development of the area directly accessed from Duke Street with four units would not be viable because of insufficient room for turning vehicles within the site – the turning head arrangements required are indicated alongside the drawing.

Development of B1 units would be impractical at the Brook Street end of the site.

The SMDC Employment land study 2006 identified that a key factor for B1c and B8 firms is for purpose built low density sites with room for expansion or intensification of the existing site to avoid costly relocations in the future, development of part of the London Mill site due to its location and physical constraints would not meet this criteria.

The rental figures for modern commercial buildings as indicated on the attached drawing (Christopher Taylor Design Limited AK3) is current in the region of £5.50 to £6 psf, giving a market value in the region of £69 to £75 psf. The usual build cost is in the region of £55 to £60 psf excluding land assembly, finance, tax and professional costs. When these charges together with the likely additional build costs associated with working on a difficult sloping site are taken into account will make a development of this nature unviable.

Having regard to the accessibility issues of the site, in particular the narrow nature of surrounding Streets we have considerable reservations whether a scheme as envisaged (See Christopher Taylor Design Limited AK3), even if financially viable would receive planning consent.

**Offices:** The identified need in the SMDC Employment land study 2006 is for accommodation for professional consultants' practices. Examination of the accommodation selected by architects, accountants, solicitors, surveyors and other professionals indicate a preference for offices with a visual prominence to the public street network, usually located in a prestigious street or square and often in distinctive, important and possibly listed buildings. Practices show a preference for a building of distinctive and individual identity, from which they can project the image of the professional firm. Accommodation would be over two or three floors only. Location to the main street network is important for the convenience of the public and clients, these factors indicate that only the Brook Street and immediate London Street return frontage have potential for office development.

The London Mill site is not conveniently located and has the further barrier of having to cross the busy A53 gateway road. It must be said that the attraction for professional firms of the Brook Street frontage is limited, again in line with the GVA Grimley account of the poor image of this area. Concerning a possible development layout, it is envisaged that a scheme of six three storey office buildings of floor area 1600 ft<sup>2</sup> (160 m<sup>2</sup>) would meet the anticipated demand. To meet planning and market requirements parking would be required at the ratio of one space per 18.8 m<sup>2</sup> of office space, i.e. nine spaces per unit, a total of fifty four car spaces. A possible layout is shown on the attached drawing (Christopher Taylor Design Limited AK3).



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The SMDC Employment land study 2006 (Para 3.7) indicates," there is a small-localised office market within Leek. Offices tend to be in the region of 500 to 2,000 sq ft, achieving rents of up to £5 psf in units above shops. There is no new build and it would expect that a developer would require rents between £10 to £12 to even contemplate new office development"

The rental figures quoted in the SMDC Employment land study 2006 are still relevant in the current market and broadly speaking will lead to a market value prices for a development on this site in the region of £85 to £100 psf. The anticipated build cost for office accommodation is likely to be in the region of £80 to £100 psf before land assembly, finance, tax and professional costs are taken into account.

It is clear that the proposal for offices as part of a mixed use of the site is not viable in terms of meeting market demand or in terms of cost. The location will be seen as "edge of town" and inconvenient to users, the accommodation lacks a prominent and high profile frontage with distinctive setting, The car parking provision required to meet planning standards is greater than that shown on the attached drawing (Christopher Taylor Design Limited AK3) and would have a knock on affect on the viable development of the balance of the site.

### **Conclusion**

The mixed use occupation of the site has affectively been covered through out the text above, various schemes have been considered and no uses or mix of uses provide a financially viable development for the site even if demand could be proved.

In reality the mixed use of the site is likely to exaggerate the limitations of the property as the mixed users compete against each other over the limited parking and access facilities. I hope the above answers the queries raised, please contact me if you require further information.

Yours sincerely

S J Hulme MRICS  
For Daniel & Hulme



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