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# Calderdale Council

Halifax Town Centre Delivery Plan



**cartwright pickard** architects



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# 1 Introduction

Halifax town centre is undergoing a strong period of transformation. There are a number of significant projects coming forward that will improve this historic town through a £100 million programme of proposed investment by Calderdale Council and its partners. Many of the transformation projects were set out in the Halifax Town Centre Supplementary Planning Document (SPD), produced by the Council in 2009, and the Town Centre Masterplan, produced by consultancy BDP in 2010.

Since the production of the aforementioned Town Centre 2010 Masterplan, a number of projects have commenced or been completed, including:

- Construction has started on a new Central Library, alongside the comprehensive regeneration and restoration of the Piece Hall.
- The £35 million Broad Street Plaza Phase 1 is now completed and open for business
- The Council is in the middle of a £12 million programme of investment and rationalisation of its office estate, which includes transformation of a prominent Grade II listed office building in the heart of the town;
- The process of redevelopment of the Northgate House site to extend the prime retail area in the town has commenced;
- A wide range of transport improvements are mandated within the town centre under the West Yorkshire Plus Transport Fund (WY+TF) that have the potential to connect the town centre and new development sites, make employment opportunities easier to access and increase overall pedestrian footfall, in turn supporting commercial viability; and
- A programme of projects supported by the Leeds City Region under the Strategic Economic Plan (SEP) to address market failure for a select group of strategically important sites in the town, **thereby building on Halifax's** strength as an attractive location for business.

The Local Growth Deal agreed with Government in July 2014 to facilitate delivery of the WY+TF and the SEP, alongside the emerging economic recovery, means that the opportunity to increase the pace of transformational change in Halifax has never been greater.

**In addition to the Lloyd's Banking Group headquarters within the town, Halifax is** now seeing continued interest from finance and insurance sector companies seeking to consolidate in the town and stakeholders have reported a significant local skills base for this sector. A positive development, with available sites and an attractive town centre offer, is essential to crystallise investment decisions. The Council wants to create **the environment for growth and build on the town's** existing strong links with the financial and professional services sector.

As a result, the Council appointed Turner & Townsend along with a team of Architectural, Transport and Commercial experts comprising, Cartwright Pickard Architects, Fore Consulting and GVA respectively to prepare a Delivery Plan for Halifax Town Centre, which considers practical and realistic opportunities that aim to stimulate economic growth and performance underpinned by the Council's Strategic Vision.

The commission was to identify a durable Delivery Plan for the town which includes spatial, economic, social and cultural analysis of the current baseline position and proposals for what the town should aim to achieve over the short, medium and long term. The plan would include a spatial framework for the town, the identification of a focused group of strategically important projects to form the first stage of delivery and consideration and advice on how these projects can be financially viable.

The Delivery Plan should also reflect the mobility and connectivity demands that will be dictated by these drivers, including any conflicts or deficiencies that may need to be addressed. The original Halifax Town Centre Masterplan included a recognition that the current transport network can act as a barrier to movement around the town centre and that facilities such as the railway station do not **reflect the type of 'gateway' into Halifax to which it aspires.**

The remainder of this document sets out the core of the recommended Delivery Plan, setting out the baseline position and considering the key drivers of change so as to identify the range of opportunities and threats for Halifax going forward. Following the required identification of the strategically important projects, it includes a discussion of future delivery issues, including governance arrangements and risks, as well as presenting some important project milestones and next steps.

The preparation of this Delivery Plan has been undertaken with the support of many Officers of the Council, as well as businesses and stakeholders throughout the town. A summary of the various stakeholder views is contained at Appendix A, and their continued involvement in the implementation of the Delivery Plan will be crucial.

As such, this Delivery Plan is the position at a point in time, to inform the Council and stakeholders on strategic priorities and advice on a way forward, to be supplemented by more detailed work on individual projects to follow. Regular review and update as the transformational change in Halifax town centre gathers pace is recommended.



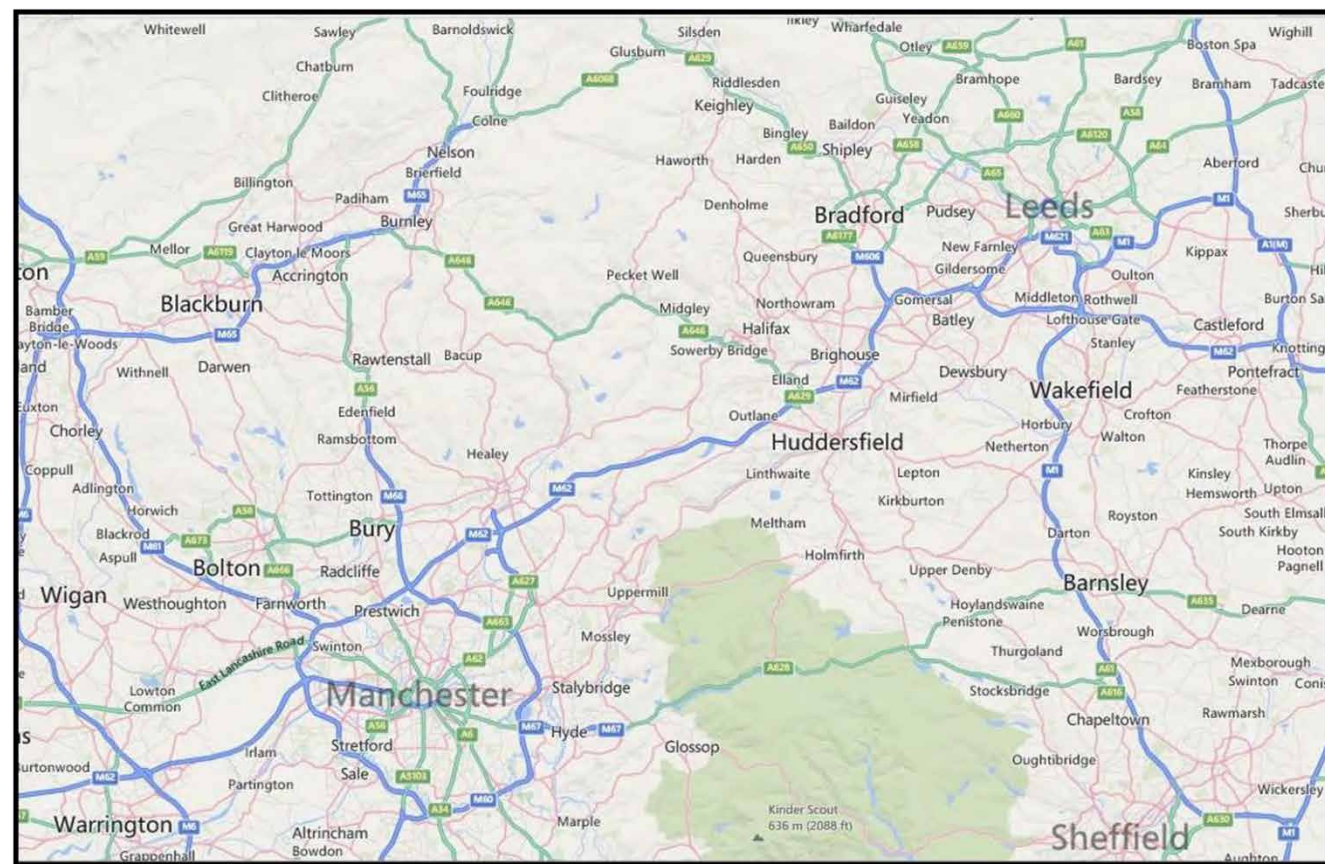
## 2 Halifax - A Unique Identity

Within this section of the report we set out a summary baseline position and draw out some of the key strengths and weaknesses of the town.

### 2.1 Location

Calderdale is located in Pennine West Yorkshire and is part of the Leeds City Region. The area also borders the Manchester and Central Lancashire City Regions. Calderdale is ideally placed within the M62 corridor, on a main Trans Pennine rail route between two expanding and prosperous city regions, (Leeds and Manchester) and is more locally centred between Huddersfield and Bradford. This allows quick and easy access to a population in excess of 5.5 million providing significant economic opportunities.

Halifax Town Centre has a strong identity as a sustainable and vibrant centre for the surrounding Calderdale area and has a distinctive urban centre built upon its historic origins.



### 2.2 Economic

Calderdale is home to real contrasts where lively historic town centres and vibrant markets meet dynamic countryside. The area currently has over 8,000 businesses and a population in excess of 200,000 people, which is expected to grow by 25,000 over the next 20 years. There are more than 82,000 jobs in Calderdale but nearly half the residents commute to work outside of the District.

The District is characterised by a high proportion of small businesses with over 80% of the businesses employing between 1 and 10 people.

Conversely the District has fewer medium and large businesses with only 11.4% and 3.3% of the businesses employing 11-49 and 50 or more employees respectively. Despite this the area is still home to a number of large employers including:

Organisation / Employer	Estimated Number of Employees
Calderdale Council	> 10,000
Lloyds Banking Group	6,300
Calderdale and Huddersfield NHS Foundation Trust	2,500
Marshalls plc	1,200
Royal & Sun Alliance	1,000
NHS Calderdale	700
Calderdale College	650
Nestle UK	580
West Yorkshire Police	521
Crosslee plc	500

Source: Calderdale and Enterprise Strategy 2010 – 2020

Financial and business services are still major employment sectors exemplified by Lloyds Banking Group (formerly HBOS) which employs around 6,300 people in Calderdale. At the same time other similar businesses are expanding such as Covea Insurance who are consolidating their national operations into Halifax.

Manufacturing is still a significant sector in the District with nearly 20% of the workforce employed in this field. Halifax was once known as 'the town of hundred trades' and there is still a rich vein of activity in the Borough with leading firms including Weir Valves, Halco Rock Tools and Hargreaves Foundry.

About one-third of all households in Calderdale have a combined income (including benefit and credit payments) below £20,000 and almost 1 in 5 have an income below £15,000. The median household income in Calderdale is approximately £28,000, which is around £1,300 below the Great Britain average.

The percentage of the working age residents qualifications at both NVQ level 2 or higher and NVQ level 4 is lower in Calderdale than both the national and regional average.



In the latest Index of Multiple Deprivation (IMD) dataset for 2010 the Halifax town centre area ranked 2,221 of 32,482. This places the immediate area within the 7% most deprived areas of the Country; however this has improved from a ranking of 1,560th in 2004 (then within the 5% most deprived areas). Further significant areas of the wider town, to the north and west of the centre (Park and Ovenden Wards) fall within the 10% of most deprived areas nationally.

Although the direction of travel over the period 2004 – 2010 has shown small improvement for the immediate town centre area, in terms of its IMD ranking, additional areas in West Halifax have fallen within the 10% most deprived whilst no areas have risen out of this band. It also remains by far the most deprived centre of all six town centres in Calderdale.

Proposals that are likely to bring significant improvements to the range, choice and quality of everyday shopping to serve the needs of those living in deprived areas should be encouraged. However, other non-retail town centre uses and development play an equally important role in helping to improve the areas health and disability deprivation, living environment and employment potential.

### 2.3 Spatial

The following gives a brief analysis of the town centre that has informed the direction of this study.

The historic urban structure of the town centre remains broadly intact, retaining many Victorian buildings and some significant earlier buildings including the Piece Hall and Square Chapel.

The Piece Hall is a building of national significance, but it has been underused and its setting needs improvement. The regeneration project currently underway will address this, however there is an opportunity to build upon this work with wider connectivity improvements.

The legible pattern of largely pedestrian friendly streets which form the town centre core around the Borough Market is bounded by a series of roads which are designed predominantly for vehicle movement and which create barriers to pedestrian movement from the centre to the surrounding areas.

There is a fragmented arc of development to the north and east to the town centre. The measures identified in this study aim to address this fragmentation and to offer a structure for the intact town centre urban form to grow in this area.

Dean Clough Mills is a significant destination in the town, but the links to the town centre are poor. Stakeholders located in Dean Clough have reported that the complex is not perceived as being part of the town centre, despite its actual proximity.

*Please refer to Diagram 1.*

### 2.4 Social/cultural

Being the administrative centre for Calderdale, Halifax town centre performs a range of civic functions, containing the Council offices, Law courts and the central public library.

There is also a diverse and extensive range of social and cultural venues for sport, theatre, art, music, cinema and dance within the centre of Halifax. They are accommodated within existing buildings of architectural and historical significance and in new purpose built developments.

The Shay is a multi-use sports stadium situated on the south of the town adjacent to the A629. The stadium is home to the local football team FC Halifax and the Halifax rugby league club. It accommodates conference suites and car parking facilities.

The Victoria Theatre was built in 1897 and is located within the Theatre quarter of the town centre. The auditorium seats in excess of 1,500 visitors and in 2008 the basement space was improved and can now accommodate small live events, meetings and workshops opened to the wider public.

The Orange Box is a new purpose built state of the art environment for young people and is situated adjacent to the Piece Hall. It comprises a skate park, recording studio, art room, ICT facilities, performance and rehearsal spaces and café.

The Square Chapel Theatre is situated adjacent to the Piece Hall and offers a range of events including musical, lectures, workshops, art classes and youth theatre. It is accessed by foot.

Broad Street Plaza is a new purpose built multi-use complex situated to the north of the town centre adjacent to the A58. There is a hotel, cinema, restaurants and a gym. Although the complex is easily accessible by foot there is an on-site car park.

The Borough Market is a Grade II\* listed Victorian market situated centrally within the town centre and is considered an important community asset. The market is accessed by foot and is well positioned to the bus network.

The Piece Hall is a Grade I listed building and is situated on the outskirts of the traditional town core. It is currently closed due to refurbishment works but it is envisaged that this will become the **town's** central square and place to meet in the town providing space for commercial, cultural and creative uses. It is well positioned within the town centre and will have accessible links by foot to the bus and rail networks.

**Eureka! is the National Children's Museum which is situated on the periphery of the town centre adjacent to the rail station and offers on-site car parking facilities.**

Dean Clough was at one time the largest carpet mill in the world. Following redevelopment the mill is a prosperous commercial enterprise which comprises office and social spaces, an art gallery, café and retail mix, accommodating in the region of 4,000 people. Dean Clough is situated on the perceived boundary of the town centre. It is encompassed significantly by a number of elevated roadways and bridges. This makes navigation to the Mills difficult and visually it is cut off from the rest of the town. Access to the Mills is mainly by car but pedestrian access is possible.

*Please refer to Diagram 2.*



The main focus of retailing is located within the areas of the Woolshops, Cornmarket and Southgate, with the Borough Market and Russell Street connecting these areas. Numerous other streets provide further retail offer.

Halifax has a large proportion of small units of less than 93sq.m (1,000sq.ft) which accounts for 51.6% of the total floorspace. This is much higher than the national average of 39.1%. These smaller units are not compatible with the majority of modern national retailer requirements, many of whom are seeking units over 929sq.m (10,000sq.ft).

The DTZ Economic Impact Assessment – Northgate House and the Central Library and Archive Facility (July 2012) concluded that only 58% of the major department stores, mixed goods and clothing retailers were represented in Halifax town centre with there being notable absentees including Next (currently operating from an out of town retail park), Primark, H&M and the major department stores (BHS, Debenhams, House of Fraser and John Lewis). The study also concluded that there was a qualitative need to improve the quality and range of the comparison goods sector and that in the absence of any new development there is a risk that the already established leakage of consumer expenditure to the surrounding areas of Huddersfield, Bradford and Leeds would be accelerated.

Halifax has a range of national hotel operators including a Premier Inn and Travelodge but these are located outside of the town centre. The hotels in the town centre are typically local budget hoteliers.

Whilst a number of residential conversion schemes have been completed in the town centre there remains a significant amount of disused or underused floorspace over many shops and business premises.

## 2.5 Connectivity

Halifax town centre is bounded by two principal highway routes – the A58 to the north, linking Leeds and Rochdale, and the A629 to the west, linking Keighley and Huddersfield. The section of the A58 immediately adjacent to the town centre is elevated above North Bridge and then passes to the west of the A629. Both of the principal highway routes link to the M62 motorway – the A58 at Junction 26, and the A629 at Junction 24.

*Please refer to Diagram 3.*

The A629 itself forms a nominal western boundary to the town centre, and is principally a dual carriageway route with pedestrian crossings provided at a series of traffic signal junctions and signalised crossings. The eastern boundary of the town centre is currently formed by the route along Shaw Hill/Shay Syke/South Parade/Church Street/Square Road/Charles Street/Winding Road, which is a single carriageway link. These two routes intersect at the junction with Free School Lane, to the south of the town centre.

Automatic traffic count data from April 2014 suggests that around 56% of traffic uses the western route in the morning peak hour and 54% in the evening peak hour. The data also suggests that 42% of vehicles entering the town centre from the north west have no destination within the town centre while 58% of vehicles entering the town centre from the north east have no destination within the town centre. This means that high volumes of through traffic use the town

centre and need to be accommodated within any future plans alongside those accessing the town centre itself.

Within the two routes bounding the town centre, much of the town centre highway network consists of routes with frontage activity, bus stops and on-street parking. There are pedestrianised areas running between the Piece Hall and Northgate House, encompassing the Woolshops Shopping Centre and along Corn Market adjacent to the Borough Market. There is a marked contrast in the quality of the public realm along Market Street, which is dominated by traffic, and along Corn Market, where several cafes offer outdoor seating areas (see photos).

Market Street is the principal north-south link for bus services within the town, serving the bus station located at Northgate at its northern end. The bus station has four islands with around 20 stands in total (although not all are currently in use) and buses from a range of destinations within Calderdale, as well as Bradford, Burnley, Dewsbury, Huddersfield, Keighley, Leeds, Rochdale and Wakefield, use the bus station.

Halifax railway station is located 600m from the bus station to the south east of the town centre, just beyond Church Street/Square Road and adjacent to the Eureka! **National Children's Museum**. The station consists of an elevated modern station building with a travel centre and small café, leading to an island platform via a listed bridge. The station is located on the Calder Valley Line, with services from Halifax to Bradford Interchange, Leeds, York, Selby, Huddersfield, Burnley, Manchester Victoria and Blackpool North.

Next to the existing station building is the 1855 building, which was once used **as the station building and now houses a children's nursery**. Exiting the 1855 building trackside is the disused 3<sup>rd</sup> platform of the railway station. There is also a disused subway linking the railway station with the Nestle complex to the east of the rail line.

Both visual and physical connections between the rail station and the town centre are compromised, meaning that there is a high degree of severance between the two. The topography and townscape mean that it is difficult to see where exactly the town centre is when exiting the rail station at present, and this is exacerbated by the traffic conditions and generally poor pedestrian environment on Church Street.



The railway station is also adjacent to the Hebble Trail Cycleway (National Cycle Network 69) which follows the line of the valley bottom to the east of the town centre.



*The above photographs are of Market Street and the Corn Market.*

## 2.6 Wider context

As identified in the Strategic Economic Plan, the City Region as a whole is a **major focus of head office activity** and “no other LEP area in the north has more major company head offices”. In the town the **Halifax Banking Group** is headquartered at Trinity Road and is the head of the retail arm of the larger Lloyds Banking Group. The list of the top twenty employers in the town is strong and emphasises the importance of retaining and building on these links to the benefit of the town and City Region.

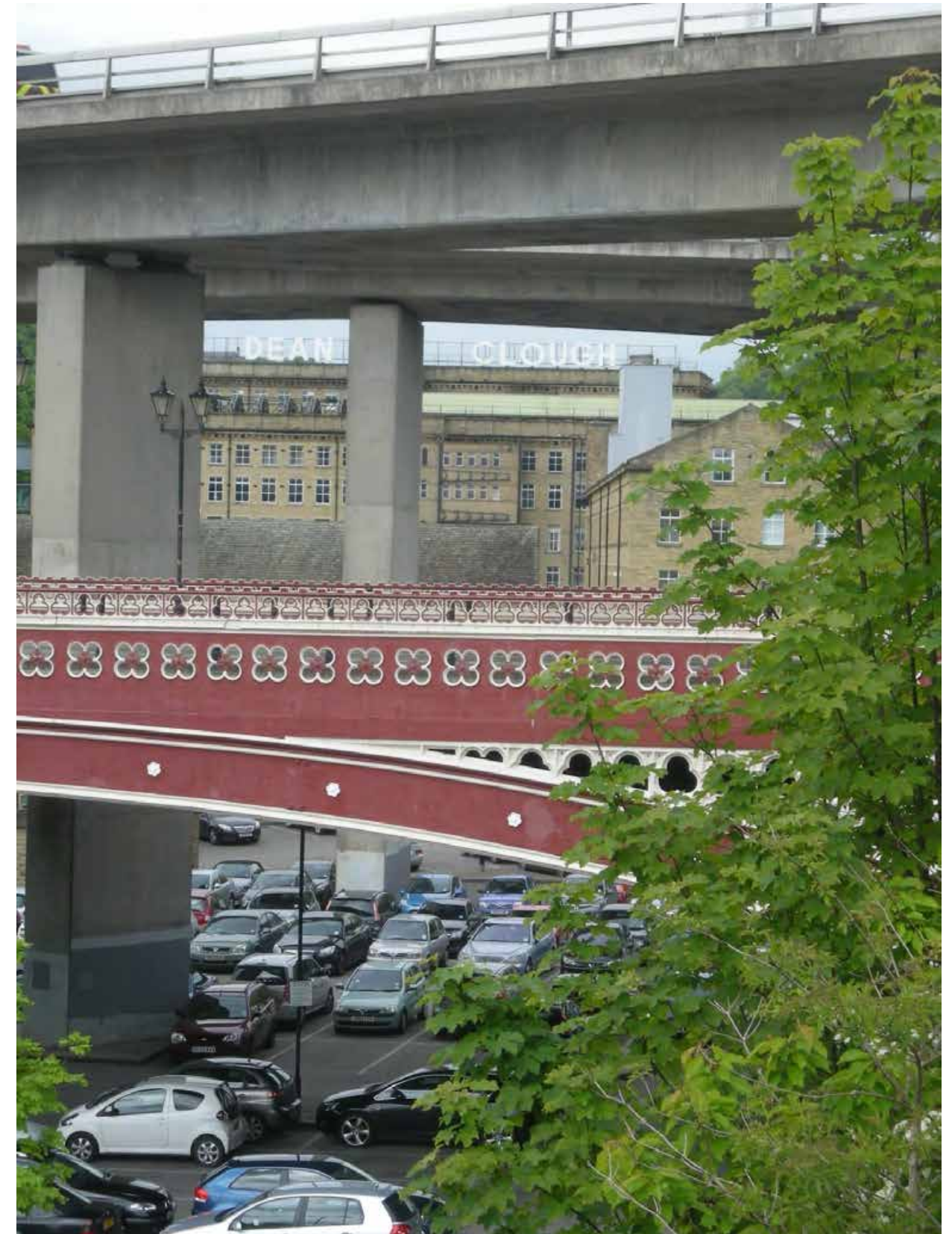
A cornerstone of the Leeds City Region SEP and the recent Local Growth Deal is the West Yorkshire Plus Transport Fund (WY+TF), a £1 billion fund over up to 20 years designed to deliver major transport improvements across the Leeds City Region and underpin the economic growth **aspirations**. **Halifax’s role within the SEP** is underlined by the inclusion of a number of schemes within the WY+TF priority list, including major improvements in the town centre and at the railway station.

**The town’s projects fit with SEP Priority 1 of “Unlocking Growth Potential of Businesses” and Priority 4 of “Creating the Environment for Growth”, through:**

- Releasing a number of strategic employment sites
- Providing an environment to support retention and expansion of financial and professional services
- Linking to the WY+TF mandate to unlock congestion and generate growth, improving public transport provision (both bus and rail), links to the motorway network and onward connectivity to the wider District accessible via the town centre
- Accelerating housing growth
- Addressing consumer spend leakage from the town

- Creating a vibrant location where companies and people want to live, work, visit and spend.

The Calder Valley rail line and proximity to the M62 places Halifax on the axis between the Manchester and Leeds City Regions, and therefore provides opportunities to link westwards with growth plans for Manchester City region and further expand the opportunities for growth within Halifax.





## 2.7 Summary table of strengths and weaknesses

Strengths	Weaknesses
Proximity to the M62 and Calder Valley rail lines, linking to Manchester and Leeds	Principal highway routes close to the town centre, creating severance and restricting possible expansion
Coherent town centre core built upon urban structure of historic town	High levels of through traffic on principal routes close to town centre
Number of significant employers located in town including Lloyds, Nestle etc.	Fragmented urban structure outside of town centre core, particularly to east and north east
Town centre has distinct character enhanced by historic building stock, including buildings of local and national significance	Imbalance of traffic between western and eastern routes adds to severance on western side
Able to capitalise on the investment and renaissance occurring in the Leeds and Manchester City Regions	<b>Pedestrian crossing opportunities often only at traffic signal junctions and 'walk with traffic'</b>
<b>Wider network of green spaces, including People's Park and – further afield – Shibden Estate</b>	Bus station is under-utilised and opportunities for bus rail interchange are poor
Tourist attractions such as Eureka!, Dean Clough Mills, Shibden Estate	<b>Poor 'gateway' and arrival from modern station building</b>
Halifax is seen as an enterprising location with the highest level of business start-ups in the region.	Passenger facilities at station are limited and severance of station from town centre, linkage between station and town centre unclear
	Limited green space in the town centre; limited civic and other public open spaces
	Limited public art or cultural references within the streetscape
	<b>Town centre "heart"</b> is constrained by existing infrastructure and focal points are not well linked
	Limited residential accommodation in the town centre impacts on mix of uses and resultant activity during the day
	Absence of suitable retail units to attract larger retailers / absence of quality office space
	Uncoordinated car parking and lack of strategy for the town.
	Pedestrian routes from the station are uninviting and on an incline; no defined or advisory town centre cycle routes (other than Hebble Trail)
	High degree of severance between the rail station and the town centre, and linkages between them are unclear



### 3 Drivers of Change

Within this section of the report we consider what are likely to be the key drivers of change and how these can be captured over the life of the plan.

#### 3.1 Economic

To understand the scope, scale and quantum of development opportunities for inclusion in the town centre Delivery Plan a detailed economic assessment has been undertaken, which provides an updated market perspective and a summary of the key development constraints for each of the main property sectors. This is provided at Appendix B and forms a key evidence based document for the town centre Delivery Plan.

Within this section of the report we summarise the main findings for each property sector.

##### 3.1.1 Offices

The office market in Halifax Town Centre has generally suffered from a lack of investment. Existing office accommodation tends to be of older stock, which unless comprehensively refurbished does not suit the needs of the modern office occupier. Typically the office stock is characterised by 1970 / 80s office blocks such as Northgate House and Westgate House, which are both occupied by the Council, and small scale offices suites above the shops.

The current asking rents for second hand space range between £18.83psm (£1.75psf) and £172psm (£16.00psf). The average 'asking' rent is circa £75psm (£7.00psf). However, achieved rents are slightly lower than quoted rents averaging £63.50psm (£5.90psf). These levels fall well below those that would make large scale, high quality development viable.

Typically we would expect schemes to be viable at around £161psm (£15psf) but the quality of the incoming tenant will also **have a direct bearing on the property's** asset / investment value and correspondingly the ultimate commercial viability of the proposals. In particular most developers will seek high quality covenants such as public sector organisations (i.e. the Council) as these will be viewed favourably **within the 'investment markets'**. **The form of occupation lease will also influence investor confidence and be a fundamental component in underpinning the commercial viability with a 25 year lease term being the most 'saleable' to the markets.**

Despite the low rental values there are a number of office developments in the pipeline, including:

- **Croft Myl**, which provides a total of 2,740sq.m (29,490sq.ft) of refurbished accommodation with associated car parking. Floor plates are available from 871sq.m (9,380sq.ft). The property is available to let or for sale. The asking rent is £156psm (£14.50psf) but the sale price is not quoted.
- **One Broad Gate Plaza**, which is a high quality 'Grade A' office development in the centre of Halifax. The building will provide up to 3,858sq.m (41,525sq.ft) accommodation in floor plates from 901sq.m (9,700sq.ft). The property is available for sale or to let. The asking rent is £188psm (£17.50psf) but the sale price is not quoted.

One Broad Gate Plaza is considered to be the best scheme in Halifax Town Centre but the scheme has not yet been developed due to a lack of demand. The developer<sup>1</sup> has confirmed that they would require a minimum rental value of £161psm (£15psf) and a high covenant pre-let of 50% to justify bringing forward the scheme.

The situation in Halifax town centre contrasts significantly with that of Dean Clough Mills, which has dominated the occupier market over the past 10 years or so. Dean Clough is located just to the north of the defined town centre and is now home to more than 140 companies employing almost 4,000 people. Key occupiers include: The Department for Work and Pensions, the NHS (West Yorkshire Ambulance Service) and the Lloyds Banking Group to name but a few. Dean Clough has built its success on the provision of high quality office accommodation in a high grade environment. Rental values are typically £156psm (£14.50psf), which are almost double those achieved in the town centre.

The other large office scheme in Halifax town centre that benefits from strong occupier demand is the Elsie Whitely Innovation Centre. Again, this is a former **mill conversion situated just outside of the town centre, which offers 'units' from 10sq.m (100sq.ft) up to 46sq.m (500sq.ft). Offices 'suites' are also available from 93sq.m (1,000sq.ft) to 279sq.m (3,000sq.ft).** Rental values are £172psf (£16psf) – these are all inclusive rates and include all utility costs such as heating, lighting, electricity and water, main reception duties and cleaning & maintenance of all common areas within the building. Each office is also allocated an allowance of car parking spaces, dependant on office size, charged at an additional cost of £65 per month per space.

Typical Office 'Asking' Rental Values	
Croft Myl	£156psm (£14.50 psf).
One Broad Street Plaza	£188psm (£17.50 psf)
Dean Clough	£156psm (£14.50 psf)
Elsie Whitely Innovation centre	£172psm (£16.00 psf)*

\*All inclusive rent

In terms of demand there is no quantitative need for new office space within the town centre.

Whilst there is a clear qualitative need for new Grade A space the low rental values mean that schemes are unviable / not feasible in the current market without significant public sector stimulus such as gap funding. Such programmes have been successful in the past where Cities such as Sheffield and Liverpool have benefitted from ERDF programme funds, which have been specifically prioritised to address the failure of the office markets in these locations. Wakefield also benefitted from significant public sector intervention in the realisation of Merchant

<sup>1</sup> The Gregory Group



Gate and the new Westgate Railway station but we are advised that most of the speculative office space at Merchant Gate is still vacant.

This demonstrates that even where schemes have benefited from public subsidy this does not guarantee occupier demand. In fact with the abolition of empty rates most developers would be unwilling to progress a speculative scheme, even with gap funding, **in today's market as they would incur the rates liability, which would be a significant holding cost until the property is sold or let.** In this context the onus will be on the Council to help facilitate development through mechanisms such as head leases and yield strips etc. However, such solutions are likely to be high risk for the Council.

In this context there is limited scope for new office space/developments to form part of the town centre Delivery Plan.

Instead the Council should seek to put in place mechanisms to encourage an increase in the supply of quality accommodation as a means of capturing any latent demand, which is more often than not supply led. For example the Council could put in place a Local Development Order (LDO) to encourage the conversion of vacant properties to office use

The Council could also explore ways of stimulating demand through economic initiatives. For example the Council could explore the feasibility of a town centre Growth Zone similar to Bradford.

These and other non-direct forms of intervention are considered in greater detail later.

### 3.1.2 Non Food Retail

Halifax has a slightly below average volume and quality of retail provision relative **to the size and affluence of its shopping population.** **White Young Green's Retail Needs Assessment (2009) identified that Halifax's town centre comparison goods retail offer was significantly below the national average in terms of both the number of outlets and floor space.** The study also identified a high proportion of smaller retail units in the town centre, with 51.6% of the shops being smaller than 93sq.m (1,000sq.ft), compared with a UK average of 39.1%. These smaller units are not compatible with the majority of modern national retailer requirements, many of whom are now seeking units over 929sq.m (10,000sq.ft).

The Retail Needs Assessment and the Core Strategy Refined Issues and Options (January 2011)<sup>2</sup> also identified that Halifax had declined in the national retail rankings between the period 2004 to 2008, which was directly linked to a lack of:

- Key anchor retailers;
- Appropriate retail outlets for perspective retailers; and
- High quality large retail units.

Research undertaken by the Property Market Analysis (PMA), a global independent property research company indicates that town centre retail floor space in Halifax is estimated at 78,965sq.m (850,000sq.ft). The prime town centre retail pitch is The Woolshops Shopping Centre, which provides around 21,163sq.m (227,714sq.ft) of floorspace. The scheme is anchored by Marks and Spencer and

other retailers include Topshop/Topman, River Island, New Look, Mothercare, Boots and WHSmith.

Market Street is also a busy pitch and has a number of national operators which include Boots, Poundland, Shoe Zone, Dorothy Perkins and a Tesco Metro.

The Westgate Arcade provides an attractive covered street scene which is home to a number of local / independent operators. This offer is complementary to the main town centre.

The Borough Market also provides a focus for the town centre based around the **streets of Southgate, Cornmarket and Russell Street where Wilkinson's, Listers Jewellers, Burtons, Clarks and McDonalds are represented.**

Prime rents within the town have reached circa £968psm (£90psf) Zone A, which are 10% below the pre-recession peak of £1,076psm (£100psf) Zone A. Prime yields in Halifax are thought to be around 7% and are 250 basis points above the pre-recession peak. We understand the Woolshops Shopping Centre was put to the market a few years ago at a quoting price of circa £40m, which reflected a net initial yield of 7.25%, but the sale was eventually withdrawn due to a lack of interest.

The town centre is typically characterised by listed / historic buildings which are **not suitable for modern retailer's requirements / purposes.** In addition the compact urban form and topography issues have forced retailers to look outside of the town centre to satisfy their requirements.

In terms of the out of town retail offer the supply is estimated, by PMA, at 43,570sq.m (469,000sq.ft), ranking the town 142 of the PROMIS Centres with overall provision of floorspace around the PROMIS average, although this varies across key goods categories. Some categories are over represented<sup>3</sup> particularly electrical and fashion / other high street goods. In contrast, child / sport, other bulky and furniture goods are under-represented on this basis.

Around 44% of the out of town floorspace is on retail parks, which is slightly below the PROMIS average. The principal retail parks within Halifax include:

- The Victoria Retail Park – anchored by B&Q;
- Charlestown Road Retail Park – anchored by Next and PC World;
- Greenmount Retail Park – anchored by Argos; and
- Crossley Retail Park – anchored by Aldi, Halfords and Pets at Home.

In addition there are a number of solus (stand alone) units including B&M Homestores on Shay Syke, Matalan on Berry Lane, The Range on Pellon Lane and Wickes on Wade Street.

According to PMA, there were 8 reported requirements for Halifax, in July 2014, against an average of 13, ranking the town 102 of the PROMIS Centres. The town broadly has the expected level of demand for a town of its size and status.

However, it should be noted that many retailers do not publish requirements through these mediums, preferring to keep them confidential. Conversely other

<sup>2</sup> We note that the Council is in the process of streamlining the production of the Local Plan and will be merging the Core Strategy and Land Allocations into a single plan.

<sup>3</sup> In terms of provision per household



retailers will publish a requirement for most locations to gather intelligence of opportunities. As such this indicator needs to be viewed with caution.

The DTZ Economic Impact Assessment – Northgate House and the Central Library and Archive Facility (July 2012) concluded that only 58% of the major department stores, mixed goods and clothing retailers were represented in Halifax town centre with their being notable absentees including Next (currently operating from out of town retail park), Primark, H&M and the major department stores (BHS, Debenhams, House of Fraser and John Lewis).

The Calderdale Retail Needs Assessment (RNA) – Population and Expenditure Update (January 2014) sets out the retail requirements / needs, in terms of new floor space, over the short (to 2014), medium (to 2019) and long term (to 2026) periods.

It states that there is no short term quantitative need for new comparison retail floorspace but there is a medium term need for up to 7,644sq.m (82,282sq.ft) of new floorspace by 2019 but this would be satisfied through recent completions and extant permissions. However, there is an unmet long term demand for between 18,559sq.m (199,774sq.ft) and 30,932sq.m (332,960sq.ft) of new floorspace by 2026.

However, the RNA does not take into account qualitative considerations. In terms of qualitative need we understand that a number of national retailers already occupy units which are smaller than their typical store size owing to a lack of available floorspace. When considered in conjunction with the challenging economic and retail landscape this is perceived as a threat to the continued vitality and viability of the town centre with retailers seeking to dispose of underperforming stores which are inconsistent with their trading formats. More over those retailers with sub optimal stores could retrench to large centres, where they can continue to service the catchment population which could lead to an accelerated decline of the town centre<sup>4</sup>. The DTZ economic impact assessment also concluded that there was a qualitative need to improve the quality and range of the comparison goods sector and that in the absence of any new development there is a risk that the already established leakage of consumer expenditure to the surrounding areas of Huddersfield, Bradford and Leeds would be accelerated. This will compound the decline of the town centre, as closures will reduce footfall further weakening the high street and leading to more closures/vacancies. The net impact is a spiralling decline in the town centre.

If Halifax is to compete with these centres, or at least retain its existing position it will need to diversify and improve its retail offer. This means larger units that are commensurate with modern retailer requirements.

With all new retail schemes there will inevitably be a period of **'churn' as those** retailers in sub optimal stores choose to relocate to the new space on offer. This has recently been witnessed in Leeds with the opening of Trinity, which saw Next and Urban Outfitters vacating their existing premises to open new flagship stores. Next has retained their previous store and are currently operating a sales outlet but it is believed this is only a temporary measure until the lease on their

old store expires. The store previously occupied by Urban Outfitters has now **been occupied by JOY, who relocated from 'The Light' in Leeds.**

This should settle down with time, as retailers will ultimately seek to satisfy their optimum store requirements whether this is in new space or through vacancies created in the town centre.

**In satisfying these needs / requirements the Council's preference is for new** retail development to be accommodated in Halifax town centre.

### 3.1.3 Food Retail

The grocery sector operates on a national basis (excluding London) and has proved to be one of the most active sectors during the economic and property market downturn. Broadly speaking, development and investment activity has remained strong and rental values and yields have remained stable. **The 'big 4' grocers (ASDA, Morrison's, Sainsbury's and Tesco) have a collective market** share of approximately 75% and operate in all of the major formats of convenience<sup>5</sup>, supermarket, superstore and hypermarkets<sup>6</sup>.

Grocers have pursued an almost cannibalistic approach to increasing their market share, and therefore company profits, by infilling their geographic coverage. Grocers are increasingly looking to smaller format stores to achieve geographic infilling. A movement towards smaller format stores, such as little **Waitrose, Morrisons Local and the more established Sainsbury's Local and Tesco Express, links in with an increasing trend for shoppers to 'top up' their grocery supplies on a more regular basis and reduce the number of 'big shops'** undertaken.

Indeed the floorspace race has eased off considerably with Tesco and then **Sainsbury's reducing their new store opening programmes and a move more** towards more traditional convenience formats. The store size reduction is the result of a shift in buyer **behaviour with more consumers now purchasing 'bulky goods' on the internet rather than in store. Furthermore, announcements by** Tesco that it was reducing its development pipeline and decreasing the size of its new stores may lead to a greater degree of caution being applied by developers and investors, which may in turn impact on appraisal inputs.

Meanwhile, other alternatives to big stores such as Aldi and Lidl, are expanding **as their 'no-frills' offerings gain popularity among more affluent consumers.** However, in a radical move that underlines the scale of the challenge facing Britain's established big grocers, Sainsbury's has teamed up with Denmark's biggest retailer, Dansk Supermarket, to build a new Netto business. Starting in the north of England fifteen stores are planned by the end of next year in a bid to challenge the fast growing Aldi and Lidl<sup>7</sup>.

For Netto, the Sainsbury's deal represents a return to the British high street. The business traded in the UK until 2010, when Dansk sold its 200 outlets to ASDA, which used them to open small, in-town stores. The Sainsbury's and Dansk Supermarket partnership will combine Netto's low-cost operations with Sainsbury's knowledge of UK products and property. The new stores will be

<sup>4</sup> DTZ Economic Impact Assessment – Northgate House and the Central Library and Archive Facility (July 2012)

<sup>5</sup> Typical stores with a net trading area of less than 280sq.m (3,000sq.ft) open for long hours (including Sundays) and selling products from at least 8 different grocery categories

<sup>6</sup> Supermarkets generally have a sales area of 280 to 2,325sq.m (3,000 to 25,000sq.ft). The PPS4 glossary of supermarkets included stores up to 2,500sq.m (26,910sq.ft) and superstores were stores above 2,500sq.m

(26,910sq.ft). Although superseded by the NPPF, which no longer includes definitions, it does still use the 2,500sq.m (26,910sq.ft) size category as the impact test threshold, and therefore, this distinction is implicit. Hypermarkets are over 5,575sq.m (60,000sq.ft). All sell a broad range of mainly grocery items, non-food is also available.

<sup>7</sup> Discounters are expected to see their share of the grocery market double to about 15% in the next five years as a result.



different from the old format, selling more products and being bigger at about 1,000sq.m (11,000sq.ft) compared with 750sq.m (8,000sq.ft) before. If the first batch of new stores trade well, the plan is to open stores across the country.

Whilst the size of new supermarkets is shrinking, reflecting the changing dynamics of the market, the big supermarket chains are still prepared to take / develop larger format space in the right location. Partly this is because operator profit margins are often higher at traditional-format stores than from convenience stores and online home deliveries. But it is also due to the fact that the physical stores form a large part of the online platform – both as a **point from which goods are delivered to the home and also as 'click-and-collect' sites from which online orders are collected by customers.** Large car parks and prominent locations make food stores natural click-and-collect destinations. In addition, where retailers do not have representation in existing stores, special click-and-collect points are emerging.

The changing shape of the supermarket sector may also create further **opportunities for investors, such as 'dark stores'.** In effect these are stores without customers from which online grocery orders are fulfilled. Dark stores should have many of the same characteristics as traditional food stores: long leases, let to companies with strong balance sheets and a high land value at the end of their life.

In terms of rental values these are subject to location and catchment demand factors. Typically larger format stores (supermarkets, superstores and hypermarkets) achieve rental values in the region of £172psm to £205psm (£16psf - £19psf). Rental values for smaller format stores (convenience – budget) are typically between £129psm (£12psf) and £161psm (£15psf).

Larger format stores typically achieve investment yields of between 4.5% and 5.5%, whereas smaller format stores typically range between 5.5% and 7.5%. The yields achieved will be dependent on the catchment and the format of the store (thus impacting on its ability to trade effectively), the covenant strength and length of the lease.

In terms of demand there is already a good level of food store representation in **Halifax including a Sainsbury's, a Tesco Metro, M&S Food Hall and the Borough Market. Sainsbury's have recently invested in their Wade Street premises by extending their existing store and car parking provision.**

We understand that Tesco were the targeted tenants for the redeveloped Pennine Shopping Centre but have subsequently withdrawn from the scheme in **line with the company's reduced programme of store openings.**

In terms of actual capacity the Retail Needs Assessment (update 2014) has identified a potential unmet need for between 2,013sq.m and 4,821sq.m (21,668sq.ft and 51,895sq.ft) in 2014 rising to between 2,476sq.m and 5,927sq.m (26,652sq.ft and 63,800sq.ft) in 2019 and 3,408sq.m to 8,161sq.m (36,685sq.ft and 87,847sq.ft) in 2026.

**The Council's preference is for new retail space to be accommodated and supported in Halifax Town Centre.** However, as outlined previously, the **floorspace race has eased off considerably with Tesco and then Sainsbury's** reducing their new store opening programmes and a move more towards more

traditional convenience formats. There is, consequently, no perceived demand for large format convenience retail in the town centre.

However, there may be demand for small forms of convenience retail and in particular budget operators. Indeed, we understand one of the discount operators has recently expressed an interest in building a new store on the Cripplegate site. Whilst such uses will encourage footfall into the town centre and provide the opportunity for linked trips etc. care will need to be taken to ensure they do not become car borne destinations, thus negating any town centre benefits, especially if they are accommodated on edge of centre sites such as Cripplegate. If such uses are to be accommodated on edge of centre sites it will be important to ensure that appropriate pedestrian and cycle links are created, addressing key barriers to their movements, in order to ensure people are able to access the wider town centre offer. In addition it is also imperative that the retail and leisure offer in the town centre be improved thereby actively encouraging people to make these linked trips.

### 3.1.4 Automotive / Car Showrooms

The automotive and roadside industry collectively covers three main property types: car dealerships, petrol stations and motorway service areas. For the purpose of this assessment we have focused on car dealerships.

The motor retail industry operates in a franchising model with vehicle **manufacturers (VM's) seldom involved in the business of car retailing and servicing.** Despite this some manufacturers have utilised their blue chip covenants through head-lease and under-lease arrangements to recoup their considerable capital investment in land and buildings, creating attractive, high value investment products.

Over the last decade the sectors property network has experienced widespread reorganisation and consolidation. The UK car dealership market is undoubtedly the most sophisticated and mature in Europe, characterised by an extensive network of modern, expansive and bespoke facilities. Covenants within the marketplace include the **international VM's, but also a broad spectrum of dealer groups, from regional operators, to major plcs with turnover in excess of £1 billion.**

The sector is characterised by long institutionally acceptable leases incorporating inflation – linked off fixed, upward rent reviews.

**In terms of the motor retail business itself, the number of cars on the UK's roads has more than doubled over the last 40 years and manufacturers' product ranges have increased steadily in response to this extra capacity, with car showrooms expanding as a consequence.** In general this has involved migration of facilities from town centres to peripheries as planning has been secured for quasi – retail (sui generis) operations often by promoting the sectors high employment characteristics.

The most important property considerations for an occupier when taking / looking for new premises include:

- Location – determined by factors such as prominence, visibility, arterial route, retail provision and proximity to other franchises with a similar target market.



- Lease terms – many retailers are committed to sale and leasebacks to provide better quality premises. Given the cost of acquiring and developing new sites, which has to be done in accordance with the corporate identity of the manufacturer, retailers are generally prepared to commit to 20 year plus leases. VW Group has recently announced that it will not be taking new leases, but may guarantee a dealer partners occupational lease, serving the same purpose of optimising investment value.
- Manufacturer – corporate identity remains a vital consideration. Dealerships are not built speculatively. Input towards design and layout is important, **particularly 'future proofing' properties for extension.**
- Building – there are no specific ratios for built area to external space, but most dealerships are land hungry, as external vehicle display, parking and ability to extend are essential. The majority of dealerships will be 929sq.m (10,000sq.ft) to 2,787sq.m (30,000sq.ft) and sites are typically 0.40ha (1acre) to 1ha (2.5 acres).

Due to the maturity of the sector, growth is likely to come from group merger and acquisition rather than development of competing dealerships. This should see further incidences of the top 10 groups buying up smaller businesses. Small but sound operators will become acquisition targets and investors in this area of the market could stand to benefit from covenant windfalls in the coming years.

We are aware that Dews Motor Group is seeking to consolidate their existing showrooms in Halifax onto one site. They would like enough land for a three to four car franchise / dealership and this would require a site of between 2.43ha and 2.83ha (6 and 7 acres). In this context they see Cripplegate as their ideal / only option.

### 3.1.5 Leisure, Restaurants and Cafes

The Council's Town Centres Report – Qualitative Assessments (April 2012) identified that most of the main centres within Calderdale (including Halifax) were lacking in their cultural, leisure and tourism offer. However, it was accepted that the opening of Broad Street Plaza would significantly address the leisure deficiencies in Halifax. Anecdotal evidence also suggests that this scheme has satisfied the majority, if not all, of the latent demand. Despite this we believe there will still be demand from small / local traders but the scale of **this demand is difficult to predict and is often 'supply' led. There may also be scope / demand from operators as part of a wider non-food retail led scheme but this is unlikely to be prevalent until the later stages of the plan.** Such uses would be appropriate for the Cripplegate site and through the relocation of Dews would free up a key town centre site for alternative uses.

### 3.1.6 Hotels

In comparison to other sectors the hotel market is considered to be at a reasonably mature stage after a decade of significant expansion. This period saw **a major drive to full service hotel companies becoming 'asset tight/asset right'** through the divestment of their property interests to investors but retention of, primarily, management contracts to continue operating their hotels.

The management contract approach also played a strong role in driving growth in the full service hotel sector by supporting the creation of new hotels by developers. The limited service sector, dominated by Premier Inn and Travelodge,

also expanded extensively over the past ten years but these companies focussed more on the leasing model which better suited the requirements of institutional investors.

Halifax has a number of national hotels including a Premier Inn and Travel Lodge. In addition there are also a number of small scale local budget hoteliers. In terms of further development there are a number of factors that will drive interest and the viable delivery of hotel investment in Halifax. Development will depend on whether or not developer / operator criteria can be met, but more importantly the overall strength and growth prospects of the local hotel market. The key performance indicators relate to occupancy and in particular the Average Daily Room Rate (ADR) and Revenue Per Available Room (RevPAR). These are the key performance metrics which underpin viability and performance in the hotel sector. If these are weak the demand for further development will also be weak.

We have no information relating to these indicators in Halifax and, therefore, are unable to quantify if there is any demand / capacity for further hotel development in the town centre. This said we are aware that the Council has recently received interest in the Cow Green Car Park for a new hotel but at the current point in time details are limited and of a confidential nature. In addition Eureka!, as part of **their masterplan, is also proposing to develop a new 'family hotel'.**

Despite this perceived demand new schemes may not actually be delivered. A **key area 'holding' up developments at the current point in time is the lack of bank finance** – there are only a handful of schemes being developed in the UK which do not have an element of bank finance (London being the exception). For schemes to progress in Halifax the flow of development equity is an important **factor. This financial 'log jam' is yet to be unlocked in the UK regional market** which is reducing the number of delivered hotel schemes. This is likely to continue to be the case over the short term.

Within this context hotels are not considered to be a major component of the town centre Delivery Plan. However, such uses are considered to be an important town centre use and will help underpin the vitality and viability of the town centre. It is likely that over the life of the plan proposals will come forward (such as those at Cow Green and Eureka!) and wherever possible these should be supported by the Council.

### 3.1.7 Eureka!

Eureka! is a National Children's Museum that **inspires children to find out about themselves and the world around them through a range of hands on exhibits.** Eureka! has been working to create a masterplan setting out how the site could develop which supports the future strategic vision for Halifax.

The plans open up the museum site to improve the physical connections with the town, the station and Piece Hall thereby enabling its 250,000 annual visitors to enjoy the numerous attractions Halifax has to offer. There are also plans for a new hotel and the reinstatement of the 1855 building into the main train station building for Halifax.

The town centre masterplan should be respectful of Eureka!'s **plans and work with the charity to help them achieve their long term aspirations, further strengthening the museums role as a regional attractor.** These aspirations include a desire to appeal to a broader age group, encourage longer stays and increase their commercial offering. Pivotal to the success of these outcomes depends on a



willingness to vacate the 1855 building and explore more commercial opportunities around a larger station directly abutting the Eureka! site footprint.

### 3.1.8 Halifax Swimming Pool and Leisure Centre

The two main sports assets in the town centre are Halifax Swimming Pool and North Bridge Leisure Centre, which operate from separate buildings. Neither facility offers the type of flexible, adaptable space that can accommodate a wide range of activities. Both properties also have severe maintenance liabilities and the future of these facilities has been the subject of discussion for a number of years.

Halifax Swimming Pool is now in a poor condition. The swimming pool no longer meets the needs of modern leisure requirements, has a dated interior and exterior and is in need of major refurbishment to the pool tank, exterior building fabric and has an extensive general maintenance backlog.

In summary, to maintain the two existing facilities as they are on their current sites, undertaking essential maintenance at Halifax Pool (before general refurbishment / updating) and making NBLC fit for purpose will require an investment of around £12m. The cost to build a new combined facility is estimated at £12.6m. In this context the Council believe there is value in considering the sale of at least the Halifax Swimming Pool site and building a combined swimming pool / sports hall facility rather than investing a similar level of investment into the current separate facilities that would then need additional investment in upgrading facilities offered and continue running inefficiently with duplicate plant etc.

### 3.1.9 Residential

Whilst a number of conversion schemes have been completed in the town centre there remains a significant amount of disused or underused floorspace over many shops and business premises.

**The Council's objective of bringing empty or underused property back into use is underpinned by Housing Service's Empty Properties Strategy.** Such space is often no longer required in connection with the use of the ground floor and could, if brought back into use, provide a valuable source of residential accommodation. This would add to the housing stock in the Borough as well as providing a range of other benefits, such as bringing life back into town centre and reducing crime, thereby making the town centre safer and more attractive.

Other benefits include generating environmental improvements and enhancing the conservation of the built environment.

Anecdotally there is a perceived demand for high quality accommodation / apartments targeted specifically towards the employees at Lloyds and Dean Clough, although this does not correlate with the general apathy from residential developers to construct apartments in the current market. We are also aware that Countrywide previously expressed an interest in acquiring the Cripplegate site for residential development but we believe this was pre-recession and it is not known whether this interest is still live /active.

The average property prices and rental values in the town centre are summarised below respectively.

#### Average Property Prices

Property Type	1 bed	2 beds	3 bed	4 bed
Houses	£371pcm	£418pcm	£496pcm	£550pcm
Flats	£405pcm	£463pcm	£459pcm	-
<i>All</i>	<i>£397pcm</i>	<i>£440pcm</i>	<i>£494pcm</i>	<i>£550pcm</i>

#### Current Asking Rents

Property Type	Average Current Value	Avg. £per sq.ft	Average # beds	Average price last 12 months
Detached	£258,817	£169	4.1	£223,676
Semi Detached	£151,438	£141	3.6	£155,172
Terraced	£81,654	£118	3.0	£80,501
Flats	£121,031	£167	1.8	£138,192

Based on these values traditional residential development (housing) is viable within the town centre but apartment schemes are not. However, the most logical site for new residential development (housing) is Cripplegate and we know this site is contaminated with initial estimates of remediation at £950,000 (this level of remediation would deliver soils to a clean-up target suitable for mixed end use). When these costs are taken into consideration development becomes unviable.

Residential is a key piece of the jigsaw in terms of underpinning the vitality and viability of Halifax town centre. However, in order to encourage town centre living the town centre will need to provide prospective residents with key infrastructure. This could take the form of social facilities such as doctors, dentists and health care facilities but also an improved retail and leisure offer. Residents will not be drawn to the town or encouraged to stay if their quality of life experience is poor. Another factor which may be impeding town centre living is the relative proximity of affordable housing on the periphery / edge of the town centre.



### 3.1.10 Education

#### Skills Exchange

The Council has advised that there is a strong evidence base to support the need for high tech skills support for manufacturing, engineering and associated technologies for business.

The emerging thinking is to address this skills and training gap by providing a facility, linked to both Huddersfield University and Calderdale College. The centre would be located in Calderdale but would be closely affiliated with the 3M BIC Centre. There is strong political support for taking this project forward, but further work needs to be done to develop the concept, the business model and identify funding for the capital and revenue costs.

The main physical requirement for this facility is that it must be accommodated within the town centre, be highly visible and have vibrant surroundings.

#### New 6th Form College

There is also the option to co-locate the Skills Exchange' with a new 6th form college creating a new town centre education campus. The ideal location for the 6th form college would be close to transport links in a town centre location.

### 3.2 Spatial

The support and enabling of appropriate development opportunities, as outlined in section 3.1 can play a key role in change for the town. Equally as important are the considerations for social and cultural improvement under section 3.3 and transport interventions outlined in 3.4 of this document.

However, in addition to this, the creation of a high quality coherent public realm for the town centre, that showcases its assets to its inhabitants and visitors alike and that supports and enhances opportunities for further development and economic activity in the town can act as a catalyst for change.

The improvement of public realm can be beneficial in a number of ways:

- It has the potential to attract funding as part of the wider highways works identified with in this study.
- It can provide increased and better quality connectivity between the assets within the town centre.
- It can put in place a structure for sustainable growth of the town centre, improving the connection between currently fragmented, peripheral parts of the town centre and its core.
- It is a highly visible intervention that can demonstrate a confidence in the town and a commitment to its future growth.

Calderdale Council's 2006 evaluation report on a range of highway projects for the town centre identifies a number of qualitative and quantitative improvements to the town centre, including improved take-up of commercial floor space and improved scores for user and business perceptions.

It is important that any proposals are viable and informed, and is sufficiently flexible to accommodate the inevitable changes in the future.

Diagram 4 outlines the broad principles behind the expansion of the town centre's urban structure.

### 3.3 Social/cultural

The focus of this study has been to consider the public realm elements in and around the town centre and how improved access will in turn enhance the visibility of existing assets rather than to intervene in the actual provision of social and cultural elements.

Housing growth within Calderdale will undoubtedly increase demand on the town centre but only if the offering is appropriate, otherwise visitors will travel further afield.

Improved public realm connections, paired with a coordinated marketing campaign could support, promote and secure the town's social and cultural offer for local residents and visitors alike.

### 3.4 Connectivity

Possibly the most significant driver of change in terms of connectivity is the recent confirmation of the WY+TF allocation for the Leeds City Region. As part of the package of investments, the Government agreed a Local Growth Deal in July 2014 that will provide £180 million over six years (2015/16 to 2020/21) to support the WY+TF. This agreement could be worth up to £600 million over 20 years, dependent on the economic impact of local investments which, when combined with local commitments, could deliver a £1 billion Transport Fund in the City Region.

Within the WY+TF, a number of priority projects have been identified for implementation within the initial 20 year period. Two of these are of direct relevance to Halifax Town Centre:

- A629 Halifax Town Centre; and
- Halifax Station Gateway.

The first of these, a sub-project of a larger package of improvements on the corridor between Halifax and Huddersfield, is designed to improve highway efficiency on the approach to Halifax and within the town centre, which would facilitate improvements in local economic and employment opportunities plus reducing congestion.

The purpose of Halifax Station Gateway project is to improve the appeal and uptake of rail travel for journeys to and from Halifax, attracting new journeys to the rail network and encouraging those making existing journeys to switch mode from car to train. The creation of a more attractive 'gateway' between rail services and the town centre, together with resulting reductions in highway congestion, will facilitate the realisation of Council's economic growth ambitions, making Halifax and the wider District a more attractive place in which to invest, work and visit. The Station Gateway project also includes the aspiration to re-open the 3<sup>rd</sup> platform and bring the 1855 building back into use for railway-related uses.



Initial work was undertaken on the scope of the measures within each of these projects to allow both to be appraised when the WY+TF was being assembled. This work suggested a cost of £57.1 million for the A629 Town Centre improvements and a contribution of around £5 million to the Station Gateway project from the WY+TF. This funding was initially allocated between 2016 and 2022 within the WY+TF programme.

An investment of this magnitude in transport improvements across the town centre, as well as focusing on the railway station, can only add to the potential to support the economic opportunities afforded by existing and future town centre assets. In developing both the scope and timing of the measures that comprise the two schemes further, it will be vital to understand what sort of measures can address the perceived weaknesses of the transport network, including congestion, through traffic, severance, public transport accessibility **and the poor 'gateway' impact, whilst supporting the identified opportunities.**

Beyond the WY+TF, investment opportunities to support sustainable travel in and around the town centre will arise through competitive bidding rounds for central Government funding. Two of the most appropriate are the Local Sustainable Transport Fund (LSTF) and the Local Pinch Points Fund.

LSTF schemes are aimed at promoting sustainable modes of travel and contributing to economic and environmental objectives, and it may be possible to develop a supporting Halifax Town Centre package if there are any future bidding rounds. An early scheme could be one based around enhancing the existing cycle links, building on the legacy of the Tour de France Grand Depart in 2014.

Similarly, future bidding rounds for the Local Pinch Point Fund, aimed at small scale traffic improvements to support economic development, may be suitable for some of the junctions on the local highway network that could constrain growth in the future outside of the WY+TF investment. The Council already has a pinch point scheme in development on the A58 at Hipperholme Crossroads, and junctions such as those at Stump Cross may be candidates for any future round.

In terms of the rail network, the current funding period for Network Rail (Control Period 5 – 2014 to 2019) includes some improvements to signalling and line speeds along the Calder Valley line, essentially in advance of additional trains using the line during the electrification of the line between York and Manchester Piccadilly. Although these improvements have no direct impact on Halifax station, there may be a possibility of combining the development work on these schemes with the next stage of the Station Gateway project, principally the re-opening of the 3rd platform to provide additional capacity and turn-back facilities.

Control Period 6 (2019 to 2024) will see further electrification of the rail network in the North of England, and the Calder Valley line is one that could be included within the next package of schemes. An outline business case on proposals for the Calder Valley line found the best performing timetable specification could generate an additional 0.6million rail trips per annum, equating to an £1.7million in additional revenue. The resulting business case for infrastructure, timetable and rolling stock improvements has been found to offer good value for money, with a benefit to cost ratio of 3.72:1.

Drawing on these drivers of change, it was considered that there were a number of principles for how connectivity improvements should be approached within the Delivery Plan:

- Use the transport improvements to facilitate an enlarged town centre core area;
- Develop strong links between existing attractions across the town centre, prioritising pedestrian movements where these intercept highway links;
- Provide opportunities for creation of better connections/additional development plots through selective land acquisition and demolition;
- Provide flexibility to deliver improvements in phases within an overall improvement scheme, linked to development build-out;
- **Provide a 'design guide' for use as other sites come forward around town centre;** and
- Enable additional sources of funding to be sought where possible.

### 3.5 Wider Context

The Strategic Economic Plans of both the Leeds and Manchester City Regions aim for a significant level of job creation over the next 10-20 years, and **Halifax's position between the two cities and their hinterlands gives it a real opportunity to support growth in housing and supply chain employment as well as growing the existing businesses and attractions within the town centre.**



### 3.6 Summary table of opportunities and threats

Opportunities	Threats
Identified WY+TF priority projects can be used to support the identified priority projects	Some doubt to the WY+TF beyond 2021 Release of funding for subsequent phases and schemes dependent on demonstrating <b>success of 'early wins'</b> – critical that any prioritised investment evidences tangible benefits from outset
Additional funding, including rail industry schemes, can be drawn in to add value and accelerate delivery	Current lack of coherent vision risks investment and development occurring in a <b>fragmented and uncoordinated way, compromising the town centre's ability to maximise its</b> future growth potential.
Promote Halifax as a housing growth area to support growth of Leeds and Manchester centres	Proximity to competing centres (Bradford, Huddersfield, Leeds, etc.) risks leakage of growth potential, investors, footfall, etc.
Improvement of public realm within town centre can play a part in promotion of the town for development and growth	
Significant Local Plan housing growth planned to the north of the town has the potential to increase flows into and through the town centre, as the economic and public transport hub of the wider District	
SEP funding for site clearance and preparation?	
Number of landmark development opportunities e.g. that could act as catalysts for wider regeneration e.g. Northgate House	
Development aspirations of key stakeholders – Eureka!	
Potential for Halifax as being a 'bridging location' between Manchester and Leeds	



## 4 Achieving the Vision

Within this section of the report we set out the Vision for Halifax town centre and a series of key objectives for achieving this vision.

The vision has been taken from the Council's Local Economic Assessment 2011

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***"Our vision is for Calderdale to be an attractive place where people are prosperous, healthy and safe, supported by excellent services and a place where we value everyone being different and through our actions demonstrate that everyone matters."***

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### 4.1 Objectives

The objectives outlined below have been developed in consultation with Calderdale Council and are underpinned by strategic vision. We have set out the means in which these objectives can be achieved under section 4.2.

#### 1 Unlocking sites to attract investment

Halifax's on-going economic health and sense of community must address the needs of those living in Halifax and working further afield and of those visiting the town from the wider area for work or leisure.

The economic analysis carried out as part of this commission has indicated that the viability for development of many building types, both private and public, is marginal at best.

One area in which intervention can potentially be made to influence this is the improvement of the quality of access into and within the town centre. An improved transport and public realm network can improve visibility, accessibility and identity throughout the town and can frame a series of development opportunities that can work in coordination with this.

The importance of transport and connectivity to unlocking sites cannot be underestimated, as was one of the principal benefits of the town centre transport improvements that were included within the WY+TF package. This not only applies to access to and from the site by all modes of transport, but also how the site itself is laid out, configured and developed in order to support some of the other objectives identified for the town centre.

#### 2 Attracting people to spend more time in Halifax town centre, creating vibrancy and buzz

A thriving town centre will include a rich mix of uses, including commercial, retail, cultural, leisure, education and residential. The most successful and sustainable way for such a mix to evolve will be via a balance of entrepreneurial vision and risk taking and of provision of shared amenities.

A range of interventions can be considered to address this, including improvement of the public realm to encourage footfall into the town centre from its periphery and within the town centre, and support for the refurbishment of existing property and development of new accommodation to expand the offer of facilities within the town centre. This can create a virtuous circle whereby a town centre offer of increased quality and variety attracts more footfall and increased footfall encourages increased investment in town centre businesses.

### 3 Providing commercial accommodation to support existing business and encourage growth

Halifax town centre has a limited stock of quality commercial premises (offices and retail) and if it is to compete with other regional towns and cities and attract inward investment it will need to address the quality of its existing accommodation in the town centre, particularly the retail offer.

Without addressing this issue the vitality and viability of the town centre is under threat with retailers likely to dispose of underperforming stores which are inconsistent with their trading formats. This will further accelerate the decline of the town centre, as closures will reduce footfall further weakening the high street and leading to more closures / vacancies. If the high street is declining this will further deter commercial / office occupiers.

### 4 Giving greater recognition to Halifax's heritage status

Halifax's historic urban structure has remained largely intact and has resulted in a town centre that is compact and legible, with varied active frontage and a range of property, including highly distinctive and valuable community and architectural assets such as the Borough Market and the Piece Hall, as well as a range of historical and contemporary buildings of varying quality.

The town's historic buildings should support a high quality, distinctive environment and measures should be taken to ensure that these buildings are an asset to the town rather than restricting contemporary development that would enhance the town. Detailed building by building heritage assessments would identify those buildings that benefit the town and those that do not. Such an approach can provide justification for refurbishment or replacement as appropriate.

### 5 Broadening Halifax's social and cultural offer

This objective follows on to some extent from Objective 2, with the added benefit of building on a sense of identity and community for the town. The town has a distinct cultural offer at present as outlined in section 2.4. The enhancement of this provision must ultimately grow from the community itself, be demand-led, and must address the practical issues of capital and revenue funding. However, it would be beneficial to develop a strategy to promote the towns cultural offer and make it more visible and accessible to Halifax's inhabitants and to those further afield. This may involve a marketing branding strategy to make the town cultural offer more visible to visitors. Measures to improve visibility to a wider audience needs to be considered alongside physical measures such as signage and wayfinding as part of a coordinated strategy for the town.

### 6 Providing space to support skills and education

The provision of high quality education can be seen as a benefit in itself, but also can support and enhance the economic activity across the borough. Stakeholders consulted for this study have identified the skills of the local workforce as a factor in the location of their businesses in Halifax. In some sectors, such as high tech manufacturing, there has been identified a need for business and education to work closely together to ensure that cutting edge skills are developed locally to support fast-moving technological change.

The provision of education establishments within the town centre can add to and complement the mix of uses in Halifax, supporting the vibrancy of urban life.



## 5 A Viable Future

### 5.1 Economic

Drawing on the findings from the previous assessment we have created a series of evidenced based projects / interventions. These consider a range of property, transport and public realm interventions that have the potential to act as a catalyst for the transformation of Halifax town centre, capitalising on the investments already being progressed by the Council and the funds being made available through the West Yorkshire Transport Fund.

The key projects / interventions are set out below.

#### 5.1.1 Economic Interventions

##### 1 Northgate House and Surroundings

Northgate House which includes the Library & Archive service has been identified by the Council as an asset they are actively seeking to dispose of. The reason being that these buildings are in a poor state of repair, inefficient to run and in need of refurbishment. A new Library & Archive facility is already being constructed adjacent to the Piece Hall restoration and with the recent rationalisation of the Council's estate which has led to the refurbishment of Westgate House and other buildings, Northgate House has become surplus to requirements. Plans are already in motion to vacate the site by 2016 and demolish ready for redevelopment.

As outlined previously there is a qualitative need to improve the retail offer to address the deficiencies in the range and quality of the comparison goods sector in Halifax town centre. Previous work undertaken by DTZ has identified the site of Northgate House as being suitable for retail development as it is in a prime location that will be able to forge better linkages with the Broad Street Plaza leisure development and Woolshops creating a desirable retail and leisure circuit. This also looks to address the need for improving the retail offer within Halifax which has been noted under previous studies to be a significant weakness for the town.

There is also scope to incorporate adjacent land most notably the bus station and post office sorting depot to create a larger development opportunity. Assuming the relocation of the current activities on these sites, this cluster offers a substantial development opportunity in a key location at the northern edge of the town centre. This combined area is relatively flat and is within a limited number of ownerships and is more than capable of accommodating the long term (2026) quantitative need (30,932sq.m / 332,960sq.ft) but will need to be brought forward in phases. The obvious first phase of development would be the site of Northgate House, which is capable of accommodating approximately 9,290sq.m (100,000sq.ft) of development.

## 2 Cripplegate

This site is on the periphery of the town centre and offers potential for businesses that rely on passing vehicle traffic, which will be complimented by the changes to the road layout and flow of traffic. We are already aware that Dews has expressed an interest in this site to consolidate their existing showrooms in Halifax onto one site. They see Cripplegate as their only option.

In addition there may be demand for small forms of convenience retail and in particular budget operators. The most logical sites to accommodate such development (excluding the conversion of town centre premises) will be the sites on the edge of the town centre, such as Cripplegate. In fact we are aware that a developer has also expressed an interest in acquiring the site for the development of a discount / budget food store and family pub. However, if such uses are to be promoted on this site care will need to be taken to ensure the development does not simply become a car borne destination with no immediate benefits to the town centre. In this context it will be important to ensure that appropriate pedestrian and cycle links are created to the town centre, addressing key barriers to their movements, in order to ensure people are able to access the wider town centre offer. In addition it is also imperative that the retail and leisure offer in the town centre be improved thereby actively encouraging people to make these linked trips.

Countrywide also expressed an interest in this site for residential development but their interest is thought to pre date the recession and it is not known whether this is still active. The site has a number of constraints (see later) which are likely to prevent this site being brought forward for residential development.

In this context the site would be suitable for any of these uses but there are a number of issues that will need to be addressed if the site is to be brought forward for development. These are considered in Section 6.

## 3 New Swimming Pool and Leisure Centre

As outlined in the previous section the Council believes there is value in considering the sale of at least the Halifax Swimming Pool site and building a combined swimming pool / sports hall facility rather than investing a similar level of investment into the current separate facilities that would then need additional investment in upgrading facilities offered and continue running inefficiently with duplicate plant etc.

The possible options for a new combined facility include:

- NBLC (option A) renovate / rebuild NBLC to include a pool extension
- NBLC (option B) demolish existing facility and build a completely new combined facility
- Cow Green Multi Storey Car Park – demolish disused multi storey car park and rebuild on existing and adjacent site
- Mulcture Hall Road – develop part of a large site (part of gas holder site)
- The Shay – explore opportunities to build on land adjacent to The Shay building the leisure centre into one of the stands at the ground.



A further option might include the Council selling their existing North Bridge Leisure Centre site<sup>8</sup> and relocating the new combined facility onto the adjacent Dews car showroom site. As outlined previously we are aware that Dews Motor Group has expressed an interest in relocating to the Cripplegate site but this requires further discussion between the Council and the Dews Motor Group. The advantage of the Dews site would be a better frontage for the Leisure Centre thus attracting more potential visitors and enhancing the leisure provisions within the town centre. However, we note that this site provides a considerable amount of Council car parking which provides income above and beyond the leisure centre. This would be an influencing factor for the Council to take into consideration should they decide to dispose of this site.

#### 4 New Sixth Form College

The Council has advised that A-level results in Calderdale are below expectations, and the size and disparate nature of the existing 6<sup>th</sup> forms may play a part in this.

In this context it is considered that there may be potential benefits for young people in the region if a new 6<sup>th</sup> form college is developed in Halifax town centre. This could provide a critical mass of resources to support improved standards and provide a significant economic and cultural focus in the town.

The ideal location would be close to good public transport links in a town centre location that will assist in providing good, sustainable access for students throughout the region. The college will also help increase footfall and potential spending power **in the town's shops from students and staff. Other benefits** could include community use of college facilities as well as other indirect benefits to local businesses and investment in knowledge industries.

There is an option for co-location with a new Skills Centre (see below), forming a new town centre education campus. Whilst the demographics and nature of activities within each establishment is different, there are potential advantages in co-location, including sharing of resources and strengthening of identity.

#### 5 Skills Exchange

The main physical requirement for this new facility is that it must be accommodated within the town centre, be highly visible and have vibrant surroundings as well as being able to accommodate the specific requirements of the specialised facility. Options that have been considered include:

- Nestles – a vacant building (G Mill) has been offered
- Dean Clough
- Pennine Shopping Centre
- Eureka! Car Park
- Elland Gannex Mill

The new Calderdale Skills Exchange will be a significant generator of footfall and for this reason we support a town centre location for this development. In this context the obvious sites are Pennine Shopping Centre and Eureka!. However, as outlined previous Eureka! already have an established masterplan and whilst they would undoubtedly work with the Council to facilitate a new facility on their car park land the loss of parking would be an issue for the museum and alternative parking would need to be provided.

Whilst there are proposals to redevelop the Pennine Shopping Centre, as set out earlier, we believe this scheme was designed around a new food store for Tesco who have subsequently scaled back their programme of store openings. In light of this we understand that the owners, Royal London Asset Management (RLAM), are currently seeking to dispose of this site.

This would be an ideal site for the new Skills Exchange subject to a sale being agreed with RLAM. It is a relatively large site predominantly in single ownership; it is close to major public transport facilities (i.e. Halifax Train Station and possible co location of a new bus terminus at the station) and it will generate significant footfall, which will benefit the town centre economy.

#### 6 Borough Market

It has been identified as a priority that the Borough Market building is in need of upgrade and refurbishment.

This building lies at the heart of the town centre and is an important community asset. Interventions should focus on improved environmental and M&E performance within the market space itself, on exploration of possible re-use of the dwellings above ground floor (residential, apartment/hotel and workspace could be investigated) and on improved visibility for the offer within the market from the surrounding streets.

### 5.2 Spatial

Drawing on the key drivers of change and the economic priorities, it was clear that the aim of the spatial improvements, particularly in the next few years, should concentrate on the following:

- Enhancing quality of arrival within Halifax;
- Creating a better pedestrian environment within the town centre;
- Framing and enabling development opportunities within the town
- Providing better bus/rail interchange and improve pedestrian and cyclist access to the railway station;
- Improving the visual setting of the railway station within its environs, as well as connections to it from all directions;
- Allowing better penetration of the town centre by public transport;

<sup>8</sup>This site might be suitable for a budget food store - in fact the location of this site, adjacent to the existing Sainsbury's store, might make this a particularly attractive site for a new Netto.



- Facilitate easier wayfinding around the key town centre attractors;
- Reducing through traffic levels on Square Road/Winding Road, hence enabling the enlargement of the core town centre area; and
- Providing a better balance of traffic between the western and eastern routes around the town centre, thereby reducing existing severance.

These spatial interventions are closely linked with the measures for improved connectivity which are outlined in the following section.

### 5.3 Connectivity

The following should be read in conjunction with diagrams 3-8 which illustrate the interventions.

This naturally led to the following areas for further investigation when developing priority projects:

- Area around the railway station, including the Church Street/Square Road/station access junction;
- Area between Northgate and North Bridge;
- Area around the Commercial Street/Fountain Street junction;
- Square Road/Charles Street/Winding Road; and
- Bus station.

These are areas near to existing or committed attractions (and sites planned for early development), but where there is a high degree of conflict at present between different road users and trip purposes.

Having identified these areas, we considered the particular movement (by all modes) needs between individual sites, such as the railway station to the Piece Hall, the bus station to Dean Clough, Lloyds Banking Group headquarters to the railway station. Then we identified interventions that would achieve the objectives set out above, drawing on good practice elsewhere, as well as more recent design innovations for pedestrian crossings. This connectivity and mobility analysis also took account of future proposals across the town centre, and changes to housing within Calderdale that would influence travel demand and patterns.

We also considered how the design of the road layout, surfacing and street furniture can all play a significant role in helping people to navigate the town by creating clearer visual references. The initial proposals arising from our analysis show how we feel that this can be achieved in practice.

Where there was a potential conflict between the desire to improve pedestrian and public transport movements and the aim to reduce through traffic (and achieve a better balance between routes), the aim was to develop interventions where this through traffic could be routed so as to reduce such conflicts and, wherever possible, complement existing or planned land uses to fit in with other elements of the Delivery Plan.

To satisfy the A629 Town Centre scheme prioritised within the WY+TF, these would not be the exclusive measures to be pursued, but were simply envisaged as the areas on which to concentrate work within this Delivery Plan. In this way, the aim is to link the roll-out of a long term connectivity improvements to the **regeneration proposals such that 'early win' schemes are identified to** complement known developments, such as the re-opening of the Piece Hall, as well as acting as templates for later schemes within the Delivery Plan and potentially opening up other development sites, such as Cripplegate.

Mindful of the need to maximise the use of the WY+TF, we also examined what elements should be brought forward early in the programme. Linked to the opening of the Piece Hall in Spring 2016, and with a mind to funding availability, regulatory processes, design requirements and land ownership, the following elements are suggested as a first phase of works within the A629 Town Centre scheme:

- Remodelling of Church Street to establish the new eastern route for through traffic around an expanded town centre core area;
- New public space adjacent to Square Chapel and new Library;
- Removal of all traffic from much of the existing rail bridge, with only disabled parking and possibly taxi pick-up/drop-off remaining along the northern edge;
- New bus stop at the lower level, immediately to the north of the existing rail bridge, together with a new walkway underneath the bridge to provide access to the existing staircase providing access between levels;
- Passenger (and possibly taxi, which will be subject to the usable area under the bridge) pick-up/drop-off facilities at the lower level, using the overhang of the existing rail bridge; and
- Revised car parking layout to north of Rail Bridge to retain existing parking levels for rail users, contract parking and Eureka! car park users, as well as any displaced car parking from other sites.
- Cosmetic improvements to the existing stairs between levels, linked to the new walkway underneath the rail bridge;
- Junction improvements at Horton Street, Square Road and Discovery Road, focused around enhanced pedestrian crossings, but with progression for through traffic;
- Restricted access to existing railway station bridge;
- New bus stops near to key town centre attractions on Square Road and Broad Street;
- Alterations to junctions at Church Street, Cripplegate and Bank Bottom;
- Road narrowing, pedestrian crossing improvements, footway widening and public realm works at North Bridge, linked to Dean Clough and Northgate development opportunities; and
- Initial junction improvement, footway widening and public realm works at the junction of Commercial Street and Fountain Street.



## 6 Delivering the Vision

Whilst the previous section sets out a series of thematic based projects it does not consider the necessary detail on delivery and project implementation.

The aim of this section is to advise on how the projects can move forward onto the development stage and to inform the respective parties of what needs to be done to achieve the sustainable regeneration of the core area at the earliest practical date.

### 6.1 Development Options

The land use plan identifies a series of key development opportunities/projects which all have different characteristics / issues and are at varying stages in the development process.

#### 1 Northgate House incorporating the PO Sorting Office and Bus Station

As outlined previously there is a qualitative need to improve the retail offer in order to address the deficiencies in the range and quality of the town centre offer. In particular there is a clear shortage of larger floor plates that are required to attract the national multiple retailers. In the absence of these stores there is the continued risk that expenditure will be lost to competing centres such as Leeds, Bradford and Huddersfield, further accelerating the decline of the town centre. If Halifax is to compete with these centres, or at least retain its existing position it will need to diversify and improve its retail offer. This means larger units commensurate with modern retailer requirements. **In satisfying these needs / requirements the Council's preference is for new retail development to be accommodated in Halifax town centre.**

The most logical location for new retail development is Northgate House and its immediate surrounding which include the bus station and post office sorting depot. The area is relatively flat and in few ownerships. This will also add to the critical mass of retail development in this location and the site provides a logical expansion of the retail core (being adjacent to the Woolshops). The development of this site will also enable better linkages between the Broad Gate Plaza Leisure Development and the town centre.

The area is more than capable of accommodating the long term quantitative need, but will need to be brought forward in phases. The obvious first phase of development would be Northgate House. However, despite the fact that the Council recently secured funds to demolish the existing buildings and prepare the site for development, there still remains some concerns over the viability of the proposals. However with a relatively small shift in investor sentiment, it has been demonstrated that the redevelopment of Northgate House for non-food retailing could become commercially viable.

However, the only way to test for sure whether the market deems that the scheme is viable is to run a marketing exercise to test if prospective purchasers can produce an acceptable profit and land receipt now that the cost of demolition would be removed from their development appraisals. Having discussed the concept with the Council and their advisers (DTZ), we would recommend re-marketing the site to those parties who showed previous interest in buying the site.

In the event that positive land values are generated the scheme could be brought forward on a wholly commercial developer-led basis. Without remarketing the site the Council will not know for sure if stripping out the demolition costs from the appraisal will make the difference between a viable or non-viable scheme.

However, should a circumstance arise where a scheme is still not viable the **Council's remaining options, in order to progress delivery**, include:

- **Direct development:** The Council effectively acts as the developer, gaining planning permission, undertaking preparatory technical work, sourcing/securing tenants, appointing a main contractor and undertaking the development itself. The reason this may work is that the Council would not take a profit as a developer would (say of 20% of the total costs of the scheme) and therefore the viability of the scheme will improve substantially. The Council would be able to sell the scheme to the investment market at a point in the future, at which point the intention would be to recoup the capital invested.
- **Direct development with expert development manager:** As above, but the Council employs a developer to run the development process for a fixed return similar to a contractors margin (say between 7.5% and 10%). This is different from a traditional developer approach in that the cost and risk of securing planning, tenants and funding still rests with the landowner (Council). The benefit of bringing in a developer to run the process is often perceived to be their expertise and experience in securing the scheme and securing occupier interest.
- **Part direct development, part investor-led:** In effect, the Council could begin the direct development process by securing planning and the anchor **tenant, before taking this 'opportunity' to the funding markets for the scheme** to be pre-purchased. The onus would then be on the incoming purchaser to develop out the scheme and secure further tenants/occupiers. This opportunity would need to be explored in greater detail to understand what **an investor's appetite would be to funding a scheme in this way; in particular,** what level of pre-let would be needed for an investor to buy into the scheme.
- **Use the Council's covenant strength to improve investment yields:** **Otherwise known as a 'yield strip', essentially, this route would see the Council committing to a head-lease that would effectively guarantee the rental income to a purchaser.** This could bring the investment yield to a sub 5% position, making the scheme profitable to a developer and delivering a good land value. This model is currently very attractive to pension funds and we would expect interest from these organisations to deliver the scheme directly as well as them being in the market for developers to feed into. The disadvantage of this option is that by guaranteeing the income, the Council would be liable to pay rental charges in the event units become vacant over the course of the term.

If the initial marketing exercise can be carried out in early 2015 (say a launch in February 2015), with a request for offers to be submitted in early April 2015, the Council will have a clear picture, thereafter, of whether the redevelopment of the site is viable or not. If viability is proven, the scheme can be brought forward in the short-term as the first phase of development. If the responses to the marketing exercise indicate that the redevelopment is still not commercially



viable, then the Council will be well placed to consider other routes which, in one way or another, will require direct intervention from the Council.

Clearly there are associated risks attached to any form of direct development or underwriting and it will be for the Council to decide whether this is a route it wishes to pursue.

As outlined previously consideration has been given to the acquisition of other buildings including the PO Sorting Office and bus station to enhance the potential development opportunity for investors. This has been described by DTZ as a risky option as the scale of Northgate site is already proving challenging for the market and the inclusion of more landowners could discourage the market even further.

It is recognised that the site could be brought to the market through a collaboration agreement between the parties – each party receiving their apportionment of the receipt. However, it is anticipated that each party will have differing aspirations / timescales and a phased disposal, with each party bringing forward their land interests in isolation, is more likely. If discreet land sales are the favoured approach it is recommended that an overall design brief / guide (masterplan) is provided for the combined site to ensure that the benefits of a cumulative scheme are not lost

## 2 Cripplegate

As outlined previously we are aware that Dews Motor Group is seeking to consolidate their existing showrooms in Halifax onto one site and see Cripplegate as their ideal / only option.

Their biggest challenge is funding and they would rather own / purchase the site and develop it themselves rather than occupy on a lease. The relocation of Dews relies on them being able to sell their existing site for a sufficient value to enable them to reinvest back into the new development on Cripplegate. They **have not disclosed their 'asking price' but it is believed to be substantially more** than the current market value. The Council should enter into negotiations with Dews and subject to a suitable market value being agreed the Council could acquire the site.

If the funding / acquisition issues could be resolved Cripplegate would be an ideal location for such a use. The relocation of Dews would also then free up their existing site for redevelopment. In particular this site could be a suitable alternative for the proposed new combined leisure and swimming pool facility.

The Council will need to place a time limit on any discussions and establish at an early stage if the relocation of Dews is feasible. If not alternative uses for this site should be explored. We are aware that an offer of £565,000 has been made for the site based on a discount food store and family pub but this excludes any costs of remediation (see later).

Countrywide also expressed an interest in this site for residential development but their interest is thought to pre date the recession and it is not known whether this is still active.

All of these uses are suitable for this site. However, there are a number of constraints that are currently preventing this site from being brought forward for development. In particular there are a series of legal issues associated with existing lease arrangements with Lloyds occupation of the Councils part of this site and the regularisation of the agreement, which links into the Cow Green Car Park. These issues will need to be resolved before this site can be brought forward. This is an immediate priority for the Council.

In addition the site is also likely to be contaminated owing to the sites previous uses. In March 2009 Scott Wilson prepared a combined Phase I and II Geo Technical Site Investigation and Assessment, which identified a range of probable contaminants. The study also recommended a preliminary remediation strategy and associated costings for the Cripplegate Site. The total remediation costs were estimated at £950,000 and are likely to render most forms of development unviable on this site.

The Council could facilitate the re-development of the Cripplegate site and others like it through business rate retention. Under the scheme the Council would be able borrow (using traditional Prudential Borrowing Route) against their income within the Business Rate Retention Scheme. By way of an example the Council may decide to use prudential borrowings to remediate the Cripplegate site and repay this through the additional Business Rates as a result of development on this site.

## 3 Halifax Swimming Pool and Leisure Centre

We understand that the funding model for a new combined facility would be based around:

- Prudential borrowing
- Capital receipts<sup>9</sup>
- Sport England capital grant funding; and
- Public health funding

The Council are in the process of commissioning an Outline Business Plan which **will seek to revisit Capita Symonds' 2009 report, with one key variation that** alternative sites could be available and may be suitable for a combined leisure facility. As part of this brief we recommend that sites identified through the town centre masterplan, in particular the Dews Motor Group site, be considered. At the moment the Council are only considering a direct replacement of the **swimming pool and have not given any thought to 'fun' in terms of water slides** etc. By incorporating an element of play into the new facility this has the potential to increase its appeal and attract more visitors thus directly benefiting the town centre. It is recommended that the brief be expanded to consider the **feasibility of 'play' in the new facility.**

## 4 Borough Market

A separate study needs to be commissioned to explore what can be feasibly done similar to the exercises Leeds and Bradford have undertaken and how

<sup>9</sup> The Halifax Swimming Pool site was valued in 2011 at £800k. The site covers c. 1.468 acres and (based on Archibus figures) was valued in 2011 at £700k / acre. The Council would need to demolish the swimming pool at a cost of c£227k, leading to the net value of £800k. The council may also, subject to the eventual preferred site, utilise any sale receipts from the sale of the North Bridge site.



opportunities such as the potential to refurbish and convert the upper floors of the Borough Market into suitable residential accommodation can be explored. We would suggest that the scope of the feasibility and options appraisal study to address the following:

- Spatial Design Planning
- Key Benefits Criteria
- Planning Policy & Design Guidance
- Commercial Viability Assessment
- Stakeholder Engagement

## 5 Education (Skills Exchange and Sixth Form College)

In Calderdale SME and Micro businesses predominate and are seen as likely to provide a major source of business development within the region. However, there is no Higher Education Institutes (HEI) in Calderdale and this has meant little sustained opportunity for SME engagement with research and development, knowledge transfer and innovation. There is a communication and information failure and attempts to build a 'presence' from existing universities has not been, historically, successful due mainly to public funding constraints.

It is recognised that there is a need to extend the educational infrastructure in order to support the District's ambition to retain skills and promote higher levels of attainment.

In this context there is strong political support for taking these projects forward. However, further work needs to be done to develop the concepts, the business models/ case and identify funding for the capital and revenue costs.

## 6.2 Transport & Infrastructure Interventions

It is considered that the elements described will give a strong start to the overall schemes and can be delivered within the next two years – only one selected area of land/building acquisition is needed, and this plot is currently for sale – whilst having significant benefits in their own right.

It is suggested that these first phase elements be submitted to the Programme Board at the earliest opportunity, as part of the overall A629 Town Centre scheme package in line with WY+TF protocols, and that the next stage of design work commence on them immediately to inform subsequent funding requests. The design work should include localised junction modelling for Church Street/Square Road and more strategic traffic modelling of the wider A629 proposals on the western and eastern side of the town centre, along with refined cost estimates.

Following these first phases, further phases should include junction improvements around the A629 to the north and south of the railway station and further road narrowing around the western side of the town centre.

In addition to the more detailed design of the elements listed above, there are two other areas where work needs to be undertaken in parallel so as to develop a coherent package of measures.

The above list contains some reference to car parking changes at the Eureka! car park, and the design developed to date ensures that there is no loss of car parking from the number of spaces currently provided, even where that parking has been displaced. Car parking within the town centre is, and will remain, an important consideration for businesses, residents and visitors, and it will be vital that the proposed connectivity improvements do not adversely impact on car park (and servicing) access.

It will also be important to ensure that the right number (and type) of car parking spaces are provided across the town centre to support future development aspirations, and that car parking revenue is taken into account when looking at the affordability and funding of some of the improvements.

**It is suggested that the Council undertake a car parking and servicing review to ensure that the interventions included in the Delivery Plan do not adversely impact upon car parking and servicing arrangements, and to ensure that any additional measures necessary with regard to car parking and servicing are identified and included in the relevant scheme packages.**

The early phase of works identified some bus stop improvements near to key attractors, but one of the key aims of the A629 Town Centre scheme is to enhance public transport accessibility across the town centre. This will involve a review of the current and future routeing, new links to the railway station, and also a consideration of what could/should be done with the bus station.

Previous studies undertaken by the Combined Authority have looked at options for relocating the bus station to create an enhanced development opportunity at Northgate. However, since the last recommendation, there have been significant changes to the bus network in Halifax, borne out by the number of stands within the bus station that are now not utilised on a regular basis, and the work done for this Delivery Plan has highlighted potential new attractors around the town centre that bus operators may wish to serve directly in the future.

Reviewing the bus network, particularly cross-town buses, and possibly making more use of on-street stops around the town centre itself creates the chance to revisit the previous proposals for the relocation of the bus station and maybe allows early rationalisation of the existing site in order to create a larger footprint for development potential at Northgate.

Any changes to the bus network and the bus station need to be undertaken sympathetically and in consultation with bus operators, and drawing on best practice elsewhere. Rationalisation of the Sheffield Interchange to provide more on-street stops and mii-interchanges around the city centre enhanced penetration, increased usage within the city and allowed development to come forward on the released part of the site. Changes to the traffic patterns in Oxford allowed further pedestrianisation of the city centre with no impact on bus passengers. In both cases, operators were fully involved with the proposals as they were developed.



**It is suggested that the Council request the Combined Authority to bring forward a bus accessibility study of Halifax, in partnership with the principal bus operators, to examine a preferred option for future bus routeing around the town centre (including new on-street stop locations) and options for rationalising the use of the existing bus station and/or its eventual relocation.**

As noted previously, the longer term vision for the Station Gateway scheme includes the re-opening of the 3<sup>rd</sup> platform. Re-using the 3<sup>rd</sup> platform will fundamentally change how the station operates, and provide an impetus for the re-opening of the 1855 building, the additional facilities and the commercial opportunities around the station. Being able to go almost directly from the bus interchange, pick-up/drop-off point, enlarged car park and taxi rank onto the 3<sup>rd</sup> platform will also significantly enhance rail interchange, which is a key objective of WY+TF schemes.

The re-opening of the 3<sup>rd</sup> platform also prompts the possible demolition of the existing rail bridge to provide a large public square in front of the railway station and Eureka! (a scheme included in their masterplan). This in turn will require the introduction of new measures for access to the island platform as part of the new station arrangement.

**It is suggested that the Council pursue the next stage of design work for the 3<sup>rd</sup> platform (GRIP3) with Network Rail, via the West Yorkshire Combined Authority, at the earliest opportunity, with a preference to have outputs from the GRIP3 study by the end of 2014.**

Completing the work in this timescale is important to align with the committed works planned on the Calder Valley line, and may mean that there are opportunities to seek additional funding contributions to the Station Gateway scheme through the WY+TF if an enhanced scheme with a high level of benefit and deliverability is shown to the Programme Team early in 2015, when individual allocations are being reviewed for the next two financial years.

A decision on the 3<sup>rd</sup> platform, and the timing of its implementation, then allows a view to be taken on the future of the existing rail bridge. If the 3<sup>rd</sup> platform goes ahead, then the case for retaining the bridge becomes weak as almost all of the movements to/from the station would be concentrated at the lower level. Removing all traffic from the bridge and then removing much of the need for pedestrians to use it may well allow Network Rail to make a business case for removing a long term maintenance liability without an additional call on the WY+TF.

Should the bridge stay in situ for at least 10 years (for whatever reason), then this would suggest including additional measures within the Station Gateway package of works described above, to be submitted to the WY+TF. We would suggest this includes removal of part, or all, of the existing balustrade on the bridge, as well as extending the area adjacent to the bridge near to the new public square to provide better visibility and connectivity through to the new Library, the Piece Hall and beyond. These elements will achieve objectives of the WY+TF in reducing journey time and enhancing the gateway experience, and so are considered to be viable elements in the Station Gateway package.

### 6.3 Key Policy Interventions

In addition to the key development opportunities/projects set out above change can also be facilitated through a range of policy initiatives. The following examples are all relevant within the context of Halifax Town Centre.

#### 1 Local Development Orders (LDO)

LDOs are an existing part of the planning system falling under the provisions of the Town & Country Planning Act 1990, as amended. LDOs were introduced by the Planning and Compulsory Purchase Act 2004 and commenced in 2006 and were amended by the Planning Act 2008. The detailed legal provisions on LDOs are contained in Article 34 and Schedule 7 to the Town and Country Planning (Development Management Procedure) (England) Order 2010 which came into force in October 2010.

LDOs grant permission for the type of development specified in the Order, and by doing so, removes the need for a planning application to be made by the developer. If development complies with the requirements of the LDO it can be assumed that it can be started straight away (subject to compliance with the requirements of other legislation). The Local Planning Authority has the right to apply conditions on the LDO, similar to those that might be applied to a planning permission, to ensure that the development is acceptable in planning terms.

The Government has produced a guidance note for local authorities to support the preparation of LDOs. This advises local authorities to avoid any conditions which are not absolutely essential to make the resultant developments acceptable in planning terms.

Such orders might be appropriate in certain areas of the town centre or blanket coverage to encourage the reuse of vacant upper floor space for office and residential uses. This could tie in with other initiatives such as the Councils Empty Shops Initiative.

#### 2 Business Rate Incentives

Similar to the Bradford City Centre Growth Zone Eligible businesses could be offered rate rebates if they demonstrate that they are creating new jobs in the town centre or if they are bringing disused space back into permanent commercial use as a result of creating new jobs they could also be offered a one off rebate to cover any increased rates bills from the new space. However, the Council would need to identify and allocate appropriate resources in order to fund such incentives. Bradford funded their incentives through the Regional Growth Fund.

#### 3 Business Improvement District (BID)

A Business Improvement District (BID) is a business led and business funded scheme to improve a defined commercial area. They are funded through a nominal levy calculated on the rateable value of all businesses within a defined area. Although the percentage can be set higher or lower, most BIDs apply 1% or 2% levies and exempt very small ratepayers. BIDs may also choose to exclude certain businesses (i.e. Charities or specific business sectors) from paying the levy and in such circumstances they will not be permitted to vote.

Whilst the majority of income will come from the private sector, non-domestic rate-payers from the public and voluntary sector will also contribute towards the BID (unless they are exempt). The extra income from this levy can then be used to lever in more funding; for example from public sector agencies, grant bodies,



sponsorship, landowners and trading income during the 5 year scheme, maximising the potential funding stream and the benefits that the BID can achieve.

The process of developing a BID involves extensive consultation with businesses to establish what improvements they want and may be prepared to pay for. A BID Proposal is then produced and a 28 day postal ballot held where businesses vote 'for' or 'against' the proposed programme. Further details on the process at included at Appendix B.

## 6.4 Delivery Plan Master Programme

As mentioned in our introduction Halifax Town is undergoing a strong period of transformation with a number of significant projects coming forward through a £100M programme of proposed investment. Based on this understanding and our Delivery Plan we have prepared a programme as outlined in Appendix C, which considers a sequence of projects and interventions that can be delivered in the immediate, short, medium and long term. Note that the programme is fluid and is subject to variables such as the availability of funding, developer interest, current market conditions and availability/acquisition of land.

The highways interventions reflect the programme as agreed with the Council on 7<sup>th</sup> August 2014.

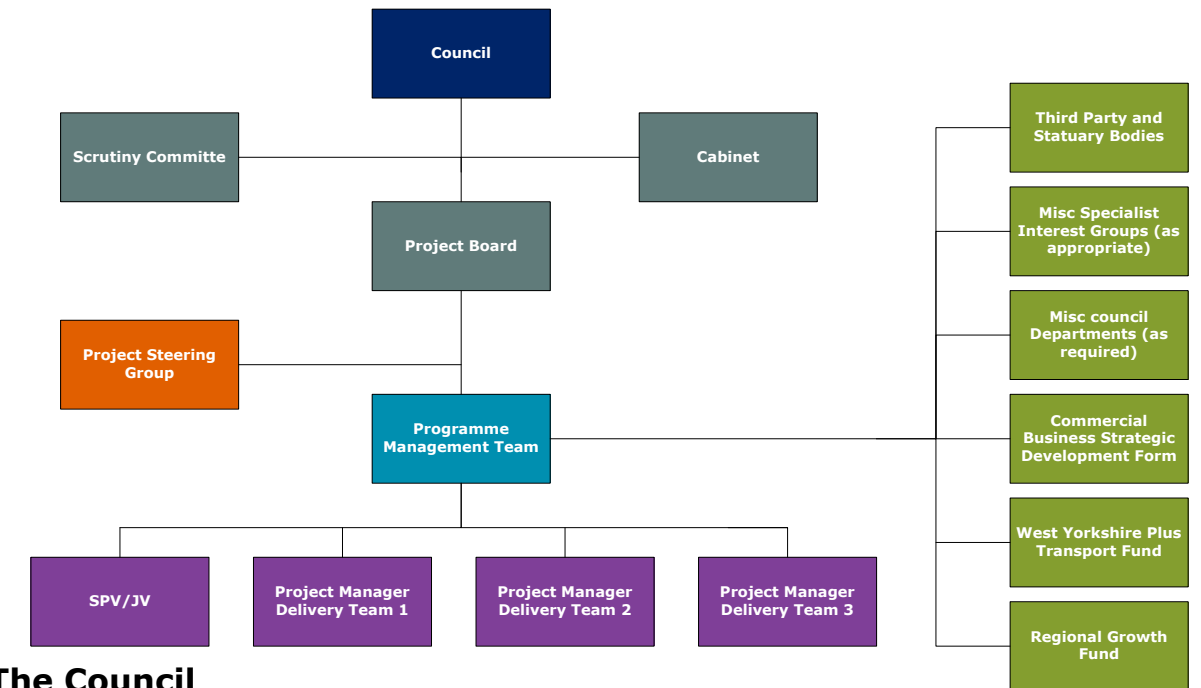
## 6.5 Governance & Decision Making

Once the Delivery Plan has received Council support and approval to proceed it is important to implement an appropriate Governance strategy to drive these projects forward. The purpose of this structure is to establish the following:

- Roles & responsibilities
- Accountability & advocacy
- Decision making & approval procedures
- Project control processes & communication of information
- Stakeholder engagement & management
- Support project team (Delivery Project Managers)
- Monitor progress against master delivery programme

There are many ways the Council may wish to set up the Governance structure and this will depend on how the projects are to be delivered. There may be a need to set up a consortia or special purpose vehicle, for example which may comprise of land owners, developers, contractors and key businesses whose specialist knowledge and expertise will be essential in driving these projects forward.

The following governance structure is how we foresee the management of the Delivery Plan being undertaken and is based also on our current understanding of how the Council functions as an organisation.



### 6.5.1 The Council

Calderdale Council comprises 51 elected Members and is the ultimate decision making authority in the Borough.

### 6.5.2 Cabinet

The Cabinet is given authority by the full Council to implement its policies within the agreed budget. The Cabinet has considerable freedom to make decisions about how important services are delivered and to monitor the Council's overall performance. Each year the Cabinet will propose a budget for the full Council to consider.

### 6.5.3 Scrutiny Panel

Calderdale Council are represented by Scrutiny Panels whose aim is to focus on driving improvement in services for the people of the borough by;

- Scrutinising decisions made and action taken by Cabinet, senior Council officer and in some circumstances, external partner organisations;
- In-depth scrutiny review of topics of particular concern to panel members;
- Ongoing overview of the performance of the Council's directorates and key partners;
- Developing ideas for service or policy improvements.

### 6.5.4 Project Board

The Project Board is responsible for making all key decisions with regards to the project and reviewing and assessing overall progress made, apart from those which will require Cabinet approval. It keeps an auditable record of the project,



particularly key issues, and changes to the brief, project financials, meetings attended by the project team and the decisions made. The Project Board will approve key stages and any changes to the project budget.

### 6.5.5 Project Steering Group

The Steering Group will act in an advisory capacity to the Project Board and Programme Management Team, providing the base to highlight issues as well as the opportunity to communicate success to the wider stakeholders. The steering group is likely to consist of Stakeholders who have a vested interest in the development of the Town Centre such as business owners, land owners and other service providers.

### 6.5.6 Programme Management Team

The Programme Management Team will be responsible for implementation of the overall Halifax Delivery Plan Strategy agreed by the Project Board. The team will firstly be responsible for incorporating the HDP into planning policy and then be responsible for rolling out the work streams amongst the Project Managers to deliver. They will be responsible for programming as well as financial and risk management controls. It is essential that this team has the necessary skills and expertise to oversee the delivery of the projects and ensure that the objectives are achieved.

The Programme Management Team will be required to engage, consult and manage stakeholders. Stakeholders at this level may comprise of developers, land owners, key businesses, statutory bodies and the "Commercial Business Strategic Development Forum" (as described previously in the Delivery Plan under section 4.3).

### 6.5.7 Delivery Project Manager Team

The Project Managers are responsible for the delivery of each project or group of projects as the Programme Management Team briefs them. The Project Manager will prepare an implementation plan outlining how their respective projects are to be delivered. This will be measured and monitored by the Programme Management Team who will need to understand the interface between the projects and any impact on time cost or quality.

### 6.5.8 Other Governance Procedures

Alongside the governance options for the Delivery Plan itself, the Council will need to be mindful of the governance already in place for the WY+TF and the Strategic Economic Plan/Local Growth Fund. Both have a critical role to play in making the Delivery Plan happen, and so need to be taken into account when moving forward with internal governance procedures.

## 6.6 Risks

We recognise that all projects carry risk and it will be important to identify these at the outset of each respective project. Risk Management is an ongoing process to monitor and identify new risks and implement the appropriate mitigation strategy.

We have prepared a risk register under Appendix D which identifies the current perceived risks to the Delivery Plan and the proposed mitigation strategies.

We have tabled below the key risks from the register which are considered to be potential barriers to delivery if they are not immediately addressed, owned and managed by the Council.

Risk:	The proposed mitigation strategy is:
There is a risk if Transport Funding is reduced	Continued engagement with the Transport Fund Manager/ Team. Seek other sources of funding. Emphasise the importance that the Gateway 1 submission for the A629 Town Centre Scheme is completed by March 2015 to ensure that funding from the WY+TF can be confirmed.
There is a risk if Developer Interest declines or wanes	Early and continued engagement and consultation
There is a risk if the selected Land cannot Acquired	Ongoing discreet monitoring of land usage and acquisition.
There is a risk if support/ confidence from Key Stakeholders decreases	Early and continued engagement and consultation

## 7 Halifax Action / Delivery Plan

Based on the previous sections we have identified a list of 34 projects, interventions and initiatives that, if implemented would contribute significantly to the achievement of the vision and key objectives. All of them make a positive contribution to at least one of the objectives towards improving the town centre as a place to live, work and play.

These projects have been prioritised based on timescales for delivery which are focused around availability of funding and a logical sequence of interventions that splits the plan into phases and what the dependencies are.

When reviewing the Delivery Plan please cross reference it with Diagram 5 and 6 the Master Programme (Appendix C).

### **Immediate & Short (0 - 5)**

Immediate & short delivery focuses on those projects that address the key issues which provide the stimulus for unlocking sites and potential growth opportunities to expand upon in the medium and long term and capitalise on the available funding. The use of the WY+TF to bring forward spatial and connectivity improvements provides more scope (and urgency) to develop a forward timetable, as there is more certainty over the length of time likely to be required to bring schemes forward and the resource availability from the WY+TF.

### **Medium (5 – 10)**

Delivery in the medium term should build-upon those proposals set out in the first phase of transformation such as the A629 town centre and public realm improvements.

### **Long Term (10 – 20)**

Long term delivery builds upon the short and medium term proposals for growth and regeneration that are likely to emerge through economic and social change.





## 7.1 Halifax Delivery Plan Schedule

Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions	
			1	2	3	4	5	6	Immediate (0-2)	Short (2 - 5)	Medium (5 - 10)	Long (10 - 20)			
1	Piece Hall Transformation	Works currently being procured with a view to starting on site October 2014		✓	✓	✓	✓	✓	✓	✓				Currently being delivered	Coordinated approach with any improvement works associated with Highways and public realm spaces to provide optimum benefit from the Piece Hall transformation
2	New Central Library	Works currently being procured with a view to starting on site October 2014		✓				✓	✓	✓					
3	Leisure Centre/ Swimming Pool Feasibility Study	The council are in the process of preparing a brief for the appointment of consultants to undertake an Outline Business Plan	✓	✓	✓			✓	✓	✓				Securing funding for the Outline Business Plan.	The feasibility of accommodating the new facility on sites identified through the delivery plan should be included within the brief. In addition it is recommended that the brief be expanded to include an appraisal of the feasibility of introducing fun/ play into the new facility.
4	Council Owned Assets Halifax Town Centre Asset Rationalisation	Certain assets within town centre to be rationalised / consolidated - 11 buildings into 5 (Westgate House, Horton Street, Princess Building, Mulcture House and The Shay)	✓		✓				✓	✓				Timescales and resource required to undertake this activity. Review will need to be mindful of WY+TF improvement works.	Ongoing review by the Council to identify assets which are surplus and can be disposed of to improve efficiencies. Identified actions to be advised through the strategic review currently being undertaken. Council should explore linkages within this delivery plan.



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions
			1	2	3	4	5	6	Immediate (0-2)	Short (2 - 5)	Medium (5 - 10)	Long (10 - 20)		
5	Commercial Business Strategic Development Forum	This involves measures to set up a group consisting of council members existing landlords and developers to bring about ideas on how to stimulate growth for new and existing commercial enterprise around Halifax town Centre.	✓	✓	✓			✓					Timescales and resource required to undertake this activity.	Agree who should form part of this group  How it will be structured / frequency of meetings
6	Northgate House: Marketing and Disposal	Remarketing the site to those developers who previously showed an interest in light of the committed funding to demolition the existing buildings.	✓	✓	✓			✓						Initiate fresh marketing campaign in early 2015 (launch in February 2015 with request for offers to be submitted by April 2015).
7	Cripplegate: resolve legal & technical issues	Potential for CC to redevelop, land contaminated and legal issues, subject to resolving technical, legal and ownership issues: <ul style="list-style-type: none"> <li>Lloyds utilising Calderdale site as a car park as Cow Green is not accessible.</li> <li>Birch Sites (National Grid Development Arm) own part of site. Calderdale Council own part of site and access strip.</li> <li>Site contamination</li> </ul>	✓					✓					Timescales associated with resolving the issues.	Council to work with stakeholders to resolve the key issues as identified.
8	Square Chapel: Cornerstone Project	Extension and improved facilities		✓		✓	✓	✓	✓				Public realm improvements to be mindful of other	Square Chapel pursuing fund raising programme



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions	
			1	2	3	4	5	6	Immediate (0-2)	Short (2 - 5)	Medium (5 - 10)	Long (10 - 20)			
													projects, i.e. public realm		
9	Cultural Quarter Promotion	Coordinated marketing to run alongside improvements to physical access and visibility via public realm improvements		✓		✓	✓	✓	✓	✓				Proposals can be optimised through coordination of signage, wayfinding and a marketing campaign which should also be coordinated with any public realm works.	Scope of project identified by new governance body
10	Station Access Improvements: Phase 1 (including W05)	<p>Remove traffic from overbridge, except for disabled parking and (possibly) taxi pick-up/drop-off</p> <p>Improve car park layout to provide more spaces overall, with a new bus stop and pick-up/drop-off facilities near to the old platform</p> <p>Improve public realm under bridge and open up for pedestrian and (limited) vehicle movements</p> <p>New stairs and lift to replace existing stairs, or improvement to existing facilities</p> <p>W05: Commercial Street/Lloyds - Reconfiguration of junction to facilitate through route along Western Loop Road and operation of Bus Accessibility Improvements, Reduce width to one lane in each direction, Selective</p>	✓	✓		✓	✓	✓	✓				<p>Ground conditions beneath bridge prevents use of all available space.</p> <p>Subject to and in coordination with WY+TF works.</p> <p>Assumes retention of the bridge in the short term.</p>	<p>Firm up car parking proposals to confirm no loss of spaces overall.</p> <p>Determine preferred solution for movement between station levels with Network Rail.</p>	



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions	
			1	2	3	4	5	6	Immediate (0-2)	Short (2 - 5)	Medium (5 - 10)	Long (10 - 20)			
		road closures to improve junction operation													
11	Eastern Highway Improvements: Phase 1 (E05-E07)	<p>E05: Station Gateway - Traffic signal improvements, Geometric change to Square Road and new traffic signal junction, New traffic signal junction with Eureka car park entrance, Priority change to facilitate through route along Eastern Loop Road, Station approach and Eureka car park changes as scheduled.</p> <p>E06: Church Street - Minimal improvements</p> <p>E07: Lower Kirkgate - Geometric change, Change roundabout to priority, junction with through traffic along Eastern Loop Road, Amended access to Matalan car park, Priority change to facilitate through route along Eastern Loop Road</p>	✓	✓		✓	✓	✓	✓					<p>Coordination with station access improvements.</p> <p>E05: Council to acquire the Hughes corporation site to unlock some of the transport interventions</p> <p>E07: Need to agree access amendments with Matalan, Possible land acquisition required at Cripplegate/Bank Bottom to ease turning movements</p> <p>More detailed design work on new junctions required</p>	
12	North Bridge Gateway	Public realm and town centre linkages, way finding to be explored. To draw footfall between Dean Clough and the town centre	✓	✓	✓	✓	✓	✓	✓					<p>Note close coordination with Western Highway improvements. (Project No 13)</p>	<p>Route improvements and public realm work to be considered. Coordination and liaison with Dean Clough</p>
13	Western Highway Improvements: Phase 1 (W11-W12)	<p>W11: Orange Street - Minor junction improvements to facilitate through route along Western Loop Road and operation of the Bus Accessibility Improvements</p> <p>W12: North Bridge Gateway - Reconfiguration of junction</p>												<p>Note close coordination with North bridge Gate works ( Project No 12)</p>	<p>More detailed design work on new junctions required</p>



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions	
			1	2	3	4	5	6	Immediate (0-2)	Short (2 - 5)	Medium (5 - 10)	Long (10 - 20)			
		to facilitate through route along Western Loop Road and operation of Bus Accessibility Improvements, reduce width to one lane in each direction, Improved pedestrian crossing facilities, Footway widening, Public realm improvements,	✓	✓		✓	✓	✓		✓					
14	Northbridge Leisure Centre	Site to be redeveloped as a leisure centre subject to outcome of feasibility study or alternative use proposed.	✓	✓		✓	✓	✓		✓				To be determined / identified through the options / feasibility appraisal. Links to project 3 and 14	To be determined / identified through the options / feasibility appraisal.  If leisure scheme then develop funding / design proposals  If not leisure review in context of market assessment, but in recognition of public realm improvements we recommend a use suitable of its prominent location.
15	Leisure Centre/ Swimming Pool Delivery	Redevelopment opportunity subject to leisure centre/ swimming pool review (refer to project 3)	✓	✓				✓		✓				Subject to project 3 and 14.	
16	Borough Market	Market building in need of upgrade and refurbishment.  Options for upper floors to be explored - resi, apartments, retail?		✓	✓	✓	✓			✓				Regional Retail Competition (see financial section of report)  Political and officer support  Availability of finance	Feasibility / options appraisal: <ul style="list-style-type: none"> <li>• Design Brief</li> <li>• Funding Strategy</li> <li>• Project Delivery</li> </ul>



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions
			1	2	3	4	5	6	Immediate (0-2)	Short (2 - 5)	Medium (5 - 10)	Long (10 - 20)		
													Heritage status	
17	Northgate House & Surroundings: Site Preparation	Demolish existing buildings in preparation for taking the site to market.	✓	✓	✓			✓					There may be a significant gap between the demolition and development phase. This could leave the Council with a vacant site in the Town Centre which could have a negative impact on <b>business and people's</b> perceptions.	Council to consider demolition programme aligned with a decant strategy for Northgate House. Aligned with the timescales for funding drawdown.
18	Bus Station - Relocation or Rationalisation	Relocation of bus station planned (to railway station - mix of on-street and mini-interchange possible).  Implementation of Bus Accessibility Improvements proposal would free site for redevelopment  Review of bus station relocation required	✓							✓			Dependent upon implementation of bus accessibility improvements under projects 10, 11 and 13.	Confirm agreement to Bus accessibility improvements proposal
19	Cow Green Car Park	Car park currently closed.  Potential to develop this site to enhance current leisure scheme proposals	✓	✓				✓		✓			Do nothing negative impact on town centre  Project 25 has potential to reduce severance impact on site.	Review benefits of utilising this land as part of a Leisure scheme compared to existing use / disposal
20	Horton Street	Key town centre development site in private ownership (Royal London Properties).	✓							✓			<b>Owner's</b> aspirations and timescales may conflict with the overall aims and objectives of the delivery plan. Links to project 34.	Work with existing owners to understand their aspirations for this site and the likely timescales, as appropriate. The council to act in a facilitation role to help



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions	
			1	2	3	4	5	6	Immediate (0-2)	Short (2 - 5)	Medium (5 - 10)	Long (10 - 20)			
															bring this site forward for redevelopment.
21	Implementation of Eureka! Site wide Master plan	Develop an integrated approach with Eureka! for delivering outputs from this study.	✓	✓	✓	✓	✓	✓		✓				Eureka! obstruct council development plans or vice versa  Proposals are linked to projects 10 and 11.	Maintain on-going dialogue with Eureka!  Coordinate proposals with associated infrastructure projects.
22	Beech Hill	Funding bid submitted to demolish 3 tower blocks  Review of Stanningley Road Council Depot underway. Potential for a JV with Marshalls. Potential to unlock depot as a residential development (social housing)	✓	✓	✓			✓		✓				Barriers to be identified with the specific project but must be aligned to the projects as appropriate.	This is a separate project and key actions are to be identified by the Council but should be aligned with the Halifax Delivery Plan.
23	Residential Growth Strategic Development Forum	This involves measures to setup a group consisting of <b>Council member's landlords</b> and developers to bring about ideas on how to stimulate growth for the residential property market around Halifax Town Centre.	✓	✓		✓		✓		✓					Agree who should lead and coordinate the group.  Agree who should form part of this group  How it will be structured / frequency of meetings
24	Eastern Highway Improvements: Phase 2 (E11-E13)	Further Eastern Highway Improvements:  E11: Sainsbury/Next - Replace roundabouts with traffic signal junctions												Need to agree access amendments with adjacent landowners  Scope for improvements may be	Ongoing as individual projects proceed in this area.



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions	
			1	2	3	4	5	6	Immediate (0-2)	Short (2-5)	Medium (5-10)	Long (10-20)			
		E12: Charlestown Road - Minimal improvements E13: Roundabout - Capacity improvement on entry	✓	✓		✓	✓	✓		✓				limited by junction layout and structures	
25	Western Highway Improvements: Phase 2 (W06-W10)	W06: Fountain Street - One lane in each direction – minimal improvements W07: Bull Green - Replace roundabout with traffic signal junction, Selective road closures to improve junction operation, Improved pedestrian crossing facilities W08: Cow Green - Reduce width to one lane in each direction, Footway widening W09: Pellon Lane - Traffic signal improvements, Selective road closures to improve junction operation, Improved pedestrian crossing facilities W10: Broad Street - Reduce width to one lane in each direction												Need to agree access amendments with adjacent landowners  Scope for improvements may be limited by junction layout and structures	Ongoing as individual projects proceed in this area.
26	Station Access Improvements: Phase 2 (S05-S10)	Bottle neck widening Lower balustrade  To be pursued if the removal of the bridge is likely to be at least 10 years hence, but involve minimal encroachment on Network Rail property)	✓	✓	✓	✓	✓	✓							Understand with Combined Authority and Network Rail requirements and appetite for 3rd platform and electrification of rail line.  Understand impact with Eureka regarding displacement of day care and other services



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions
			1	2	3	4	5	6	Immediate (0-2)	Short (2 - 5)	Medium (5 - 10)	Long (10 - 20)		
		<p>Reinstate listed steps from 3rd platform to listed rail bridge</p> <p>Refurbish existing station and provide additional toilet facilities</p> <p>1855 building to be brought back into use</p> <p>Re-open of 3<sup>rd</sup> platform</p>												<p>currently offered in the 1855 building.</p> <p>Undertake a spatial analysis of the 1855 building understanding pedestrian flow and connectivity.</p> <p>Further project definition required</p>
27	Cripplegate: Delivery	Subject to the resolution of the technical issues (refer to project 7) market the site for disposal or the Council to seek a development partner.	✓		✓						✓			<p>Subject to legal and technical issues being resolved, refer to project 7.</p> <p>To be finalised subject to the preferred disposal route.</p>
28	Northgate House & Surroundings: Delivery	Potential for 100,000 sf ft retail	✓	✓	✓			✓			✓			<p>Subject to successful marketing campaign linked to projects 6, 17 and 18.</p>
29	Nestle/Bailey Hall Factory	Potential development site which owners Nestle are keen to bring to market	✓	✓	✓	✓	✓	✓			✓			<p>Bailey Hall is a listed property and there are issues around car parking that would need to be considered.</p> <p>Subject to Nestles own timescales and site aspirations.</p> <p>Engage and work with Nestle.</p>
30	Eastern Highway Improvements: Phase 3 (E01-E04)	E01: Shay/Hunger Hill - Town Centre Gateway, Geometric change, Priority change to facilitate through route along Eastern Loop Road									✓			<p>Need to agree access amendments with adjacent landowners</p> <p>Scope for improvements may be</p> <p>Ongoing as individual projects proceed in this area.</p>



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions
			1	2	3	4	5	6	Immediate (0-2)	Short (2-5)	Medium (5-10)	Long (10-20)		
		<p>E02: South Parade - Minimal improvements</p> <p>E03: New Road - Geometric change, Replace roundabout with traffic signal junction, Localised widening to ease turning movements, Retain one lane in each direction</p> <p>E04: Church Street - Minimal improvements</p>	✓	✓	✓	✓	✓	✓					limited by junction layout and structures	
31	Western Highway Improvements: Phase 3 (W01-W04)	<p>W01: Hunger Hill - Town Centre Gateway, Reconfiguration of junction to facilitate through route along Western Loop Road</p> <p>W02: Skircoat Road - Reduce width to one lane in each direction</p> <p>W03: Prescott Street - Reconfiguration of junction to facilitate through route along Western Loop Road</p> <p>W04: Portland Place - Reduce width to one lane in each direction</p>	✓	✓	✓			✓	✓			✓	<p>Need to agree access amendments with adjacent landowners</p> <p>Scope for improvements may be limited by junction layout and structures</p>	Ongoing as individual projects proceed in this area.
32	Station Access Improvements: Phase 3	<p>Station square</p> <p>New link to upper level</p> <p>Above to be pursued following demolition of the overbridge</p>	✓	✓	✓			✓	✓			✓	This project is dependent on the agreement of a 3rd platform.	Discussions to be held around access, building use, level changes and public space to ensure that the parameters for design are robust
33	Opportunities for Urban Heat Networks	Measures for the Council to explore heat networks around Halifax to incentivise	✓	✓	✓			✓	✓			✓		Confirm what funding / grants are available



Ref	Project	Project Details	Objectives						Delivery Timescales (Years)				Delivery Risks & Dependencies	Identified Actions	
			1	2	3	4	5	6	Immediate (0-2)	Short (2 - 5)	Medium (5 - 10)	Long (10 - 20)			
		/ stimulate development through subsidised rents												Select appropriate sites to trial this technology	
34	Opportunities for 6 <sup>th</sup> Form College / Skills & Training Centre	Opportunity for new education campus incorporating a new sixth form college and skills exchange.		✓	✓			✓	✓			✓		To be determined when working up the business case.	Further work needs to be done to develop the concepts, the business models/case and identify funding for the capital and revenue costs.



## 8 Next Steps

The premise of this commission has been to identify a set of deliverable proposals that build upon the success the Council has achieved to date with existing schemes and enable maximum benefits to be leveraged from committed investment to stimulate future growth that would not otherwise be achievable.

We recognise the Council needs to embrace the recommendations put forward within the Delivery Plan, however we would strongly suggest that the proposals are re-evaluated at key milestones to reflect changing ambitions and market conditions.

At this point in time there are a number of key projects and activities over the following six months that we deem to be the catalyst in delivering the objectives outlined by the Council's strategic vision.

These are:

- Address the key risks and implement the mitigation strategies
- Review the disposal strategy and remarket the site of Northgate House
- Complete / commission the leisure centres feasibility study / options appraisal
- Set up the Commercial Business Strategic Development Forum
- Resolve the legal issues on the Cripplegate site
- Promote the cultural quarter
- To commission marketing specialists to deliver a campaign for retail development
- Evaluate the viability of Cripplegate site and engage with Dews Corporation regarding potential land swap agreement.
- Facilitate the creation of the Commercial Business Strategic Development forum
- To commission a feasibility study for the Leisure Centre and land options appraisal.
- Procure the next stage of design work for the A629 Town Centre scheme, including localised junction modelling for Church Street/Square Road and more strategic traffic modelling of the wider proposals;
- Commission a Car Parking and Access Servicing Strategy;
- Request that the Combined Authority commission a bus accessibility study to examine a preferred option for future bus routing around the town centre and options for rationalising the use of the existing bus station;
- Pursue the next stage of design work for the 3<sup>rd</sup> platform (GRIP3) with Network Rail at the earliest opportunity, with a preference to have outputs from the GRIP3 study by the end of 2014;

- Bring all of the above together in a Gateway 1 submission for the WY+TF Programme Team, to be submitted by the end of March 2015.





# Diagrams

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#### Diagram 1 - Existing Spatial Analysis

The town has a coherent historical core, but highways separate this from the outer sections of the town centre.

North and east areas are fragmented and underdeveloped.

Connectivity to outlying town assets including station and Dean Clough is poor.

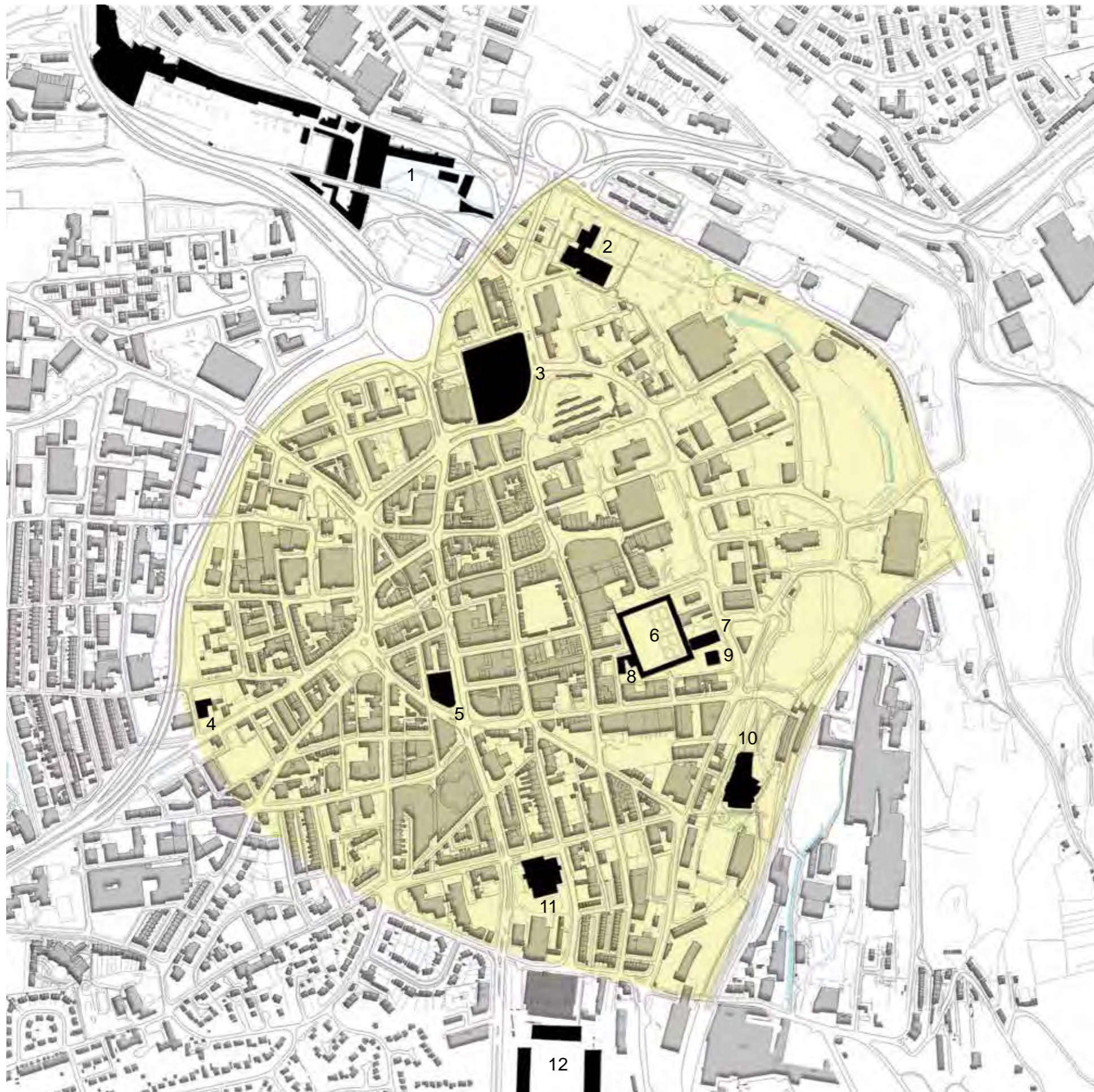


Diagram 2 - Social and Cultural Provision

1. Dean Clough - performance space, gallery, retail, restaurants
2. Leisure Centre
3. Broad Street - cinema, restaurants
4. Playhouse Theatre
5. Victoria Theatre
6. Piece Hall - retail, restaurants
7. New Library
8. Orangebox - young people's space
9. Square Chapel - performance space
10. Eureka! - National Children's Museum
11. Swimming Pool
12. The Shay - sport



Diagram 3 - Routes In and Out of Town Centre




-  Town Centre periphery route
-  Town Centre routes
-  Town Centre 'Gateway'



Diagram 4 - Proposed Spatial Strategy

Strategy is to build upon the urban structure and connectivity in the existing town centre core and to expand this throughout the town centre.



Diagram 5 - Delivery Plan Projects

Refer to Delivery Plan Project Schedule

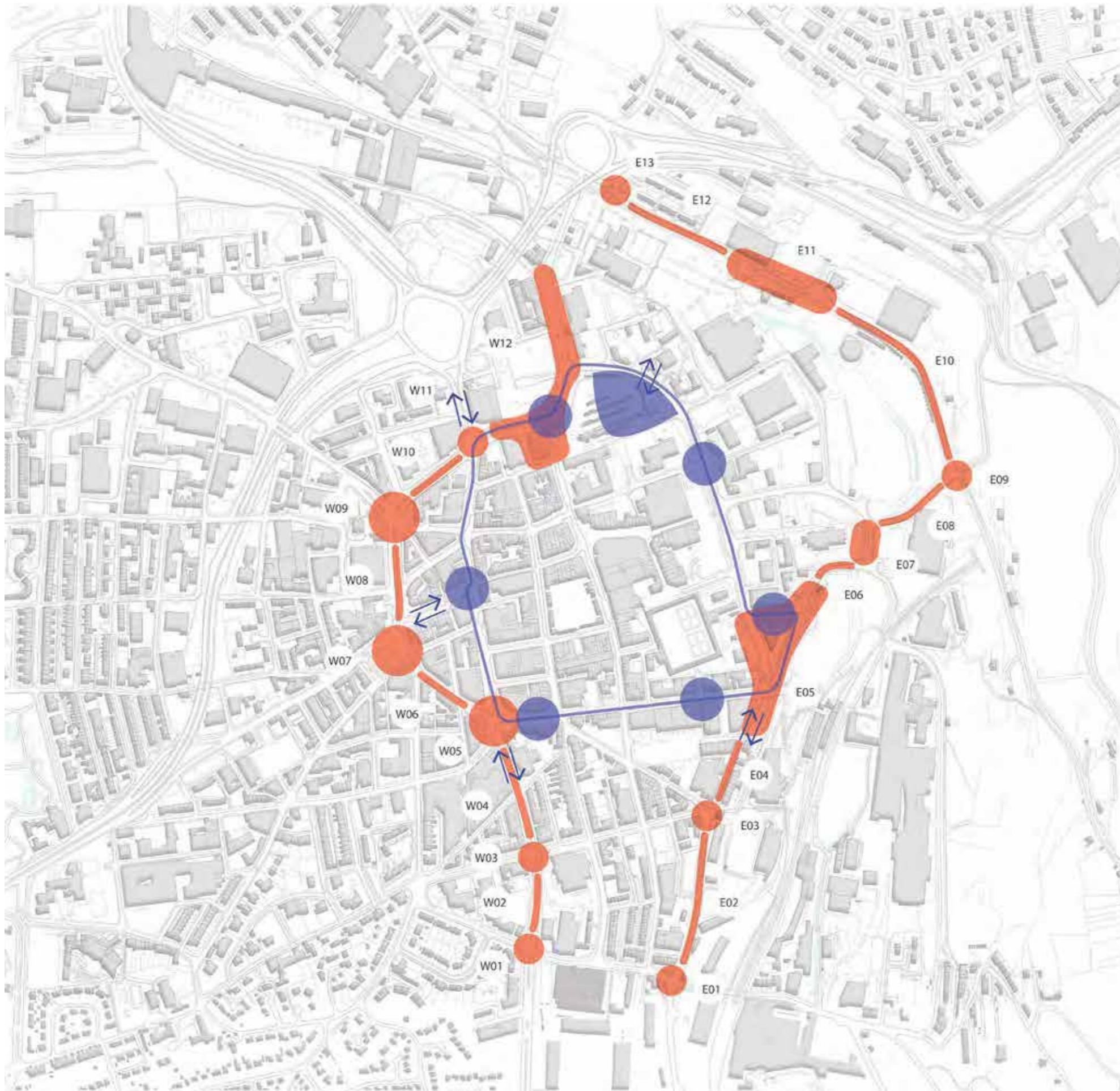






Diagram 6 - Proposed Highways Interventions

-  Highways intervention
-  Junction intervention
-  Proposed bus accessibility improvements
-  Proposed bus stop point

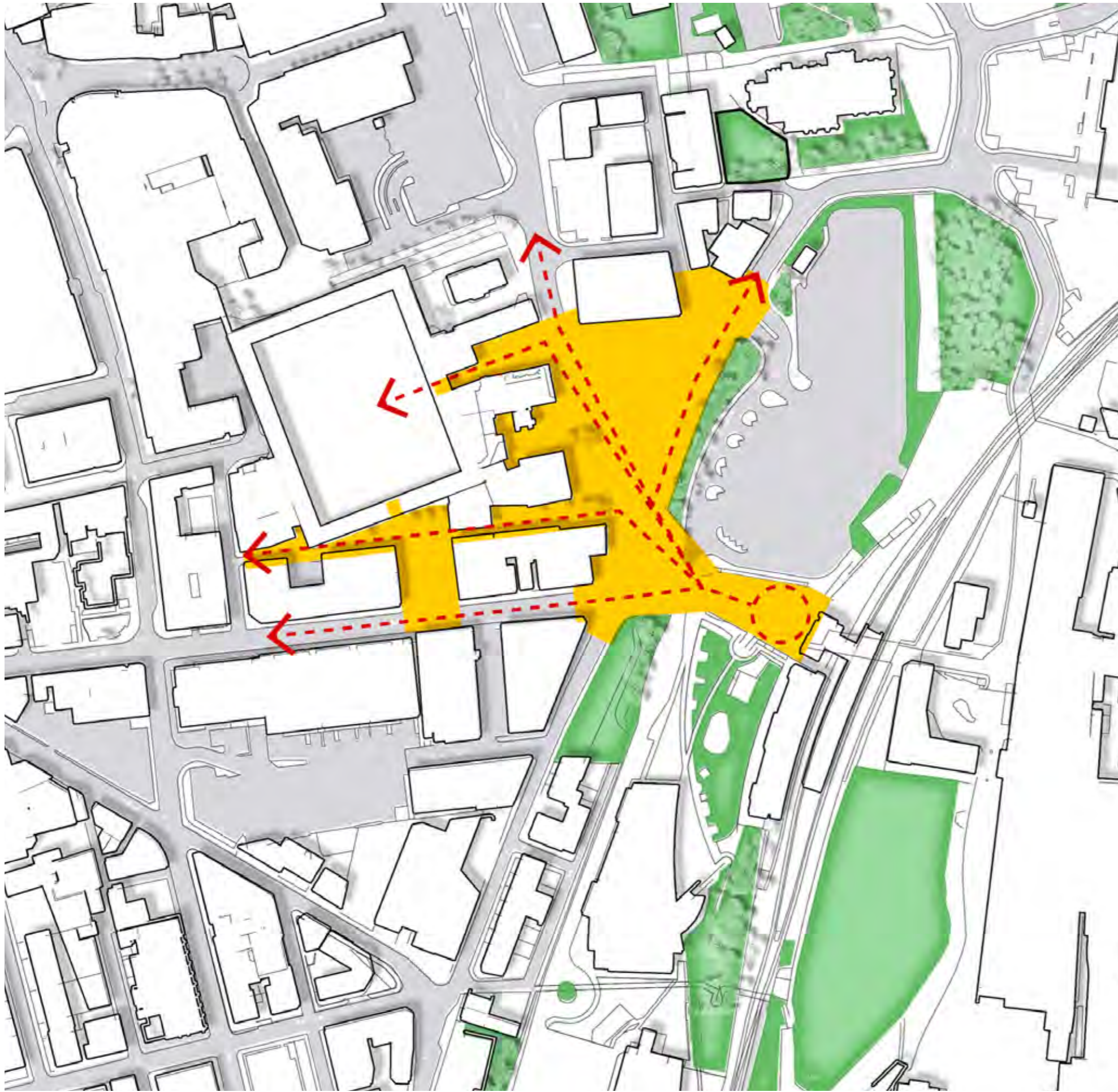


Diagram 7 - Proposed Station Gateway - E05

Proposals balance improved public realm and pedestrian connectivity between station and town centre with vehicle movement along eastern loop road.

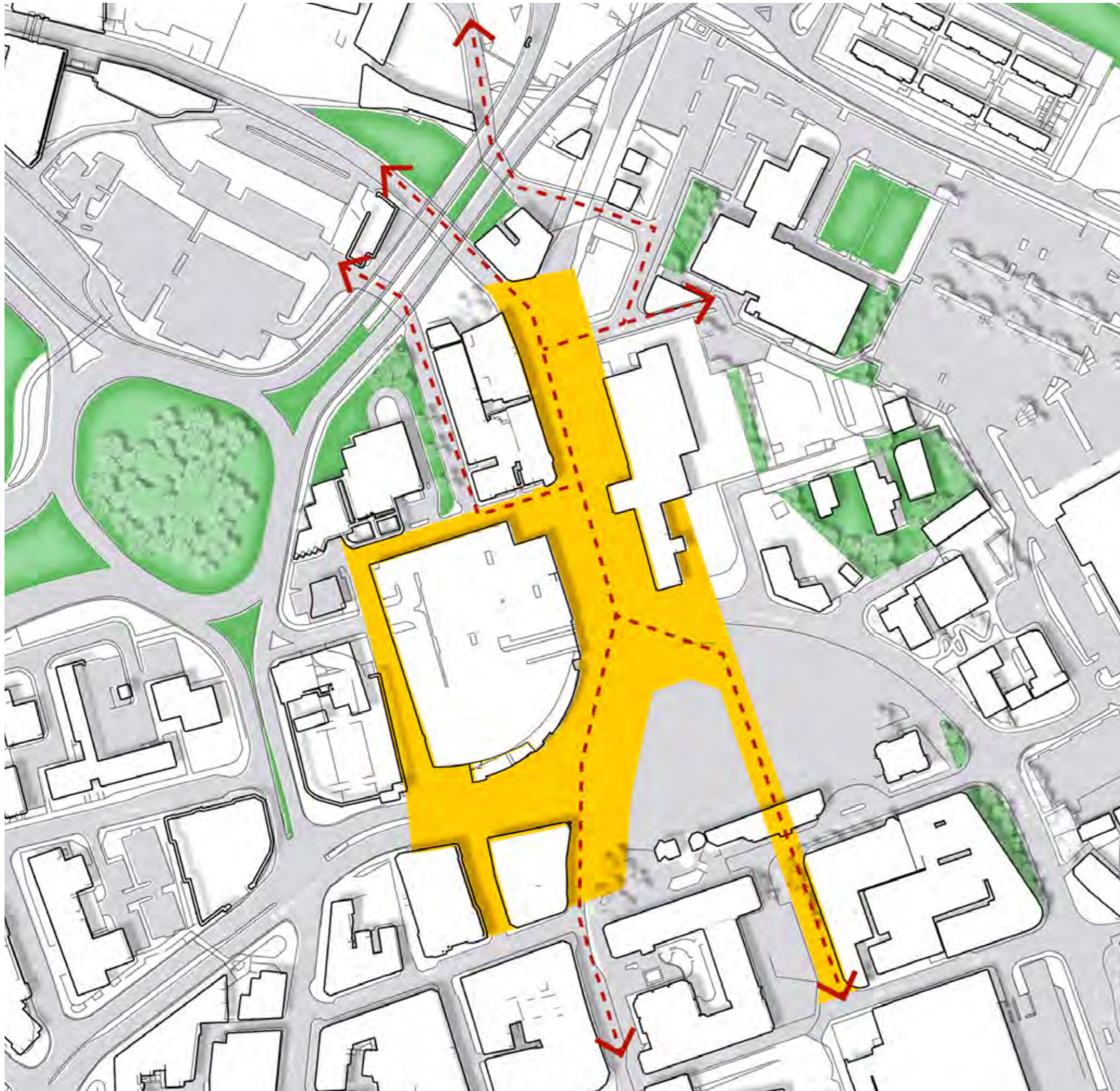


Diagram 8 - Proposed North Bridge Gateway - W12

Proposals balance improved public realm and pedestrian connectivity between Dean Clough and town centre with vehicle movement along western loop road.



# Appendix A

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Stakeholder Engagement  
Records

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**Meeting / File Title: Eureka! Notes / Observations**

**Date:** 7<sup>th</sup> July 2014

**Ref:** N/A

**Meeting Attendees:** Tudor Gwyn, Leigh- Ann  
Adam Edgar, Dale Robinson

**Circulation:** GVA, Fore, CPA

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**Subject / Notes****Action****▪ Business Operations / Overview**

- Eureka! attract over 280,000 visitors a year of which 86% travel by car
- On average visitors spend 3.5 hours in the Museum
- Employ over 120 staff locally and from nearby towns and Boroughs
- Currently utilise the 1855 building as a day care centre and office accommodation which generates income for the Museum.
- At peak season the car park reaches its 500 spaces capacity

**▪ Current Issues**

- A disconnect emotionally and physically between Eureka! and the Town
- Perception from visitors that the Town ends at Eureka!
- People come to Eureka! for around 3 hours and do not move elsewhere in Halifax.
- Terrible crossing / road junction that separates Eureka from the rest of the Town

**▪ Future Plans**

- Sturgeon North Architects have prepared a master plan for Eureka! that will be phased over the next 18 months, with a view to delivering the full scheme over the next 10 – 15 years.
  - Develop their visitor offer for a wider age group up to 14 year olds – this would involve more physical and active play activities.
  - Develop public realm space
  - A new hotel on the Eureka! site to accommodate overnight visitors as there are no decent hotels in the area
  - Emphasis on family focused activities
  - Ambition to increase visitor numbers to 350,000 a year



- Expansion plans would require extra car parking. Eureka! have highlighted potential acquisitions to the south of their site that could alleviate this problem. The site identified does however have listed status.
- The Museum plans require investment of around £25 – 35M and will require significant funding to realise.
- Many of the changes will be instigated through the improvements of the road network through the WY+TF.
- Eureka! would welcome the removal of the Grade 2 listed bridge from the train station.
- Would be open to the suggestion of relocating their day care and office services from the 1855 building to create a new railway platform, if funding and a suitable like for like accommodation could be found.
- Any changes to the railway station would need to clearly demark and distinguish between visitors to the Museum and those going elsewhere in Town for security reasons.
- **What is Halifax Lacking**
  - A retail and Leisure offer that would allow visitors of the Museum to have full family day out in Halifax.
  - Welcoming / sense of arrival in Halifax
  - More Green / public realm spaces
  - Child friendly environment
  - Pedestrian routes and traffic calming measures
  - Access & Inclusivity for all

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## Meeting / File Title: Nestle Stakeholder Notes / Observations

**Date:** 14<sup>th</sup> July 2014 **Ref:** N/A

**Meeting Attendees:** Dale Robinson, Adam Edgar, Giles Mann, Mike Hale, Joanne Woodhead **Circulation:** GVA, Fore, CPA

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Subject / Notes	Action
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- **Business Operations / Overview**

- 14 sites around the UK
- The Nestle site is a flagship manufacturing hub for products such as Quality Streets, After Eight Mints and seasonal confectionary.
- Has recently extended production in Halifax investing a further £20M in its confectionary business creating an extra 100 jobs in Halifax.
- Nestle employ around 700 staff with a further 350 temporary seasonal workers.
- Car parking has recently been expanded to accommodate the additional 100 staff.

- **Future Plans**

- Nestle are committed to retain their confectionary operations in Halifax.
- There are no immediate plans for the Nestle site other than a desire to dispose of Bailey Hall which is not suitable for food manufacture. They would consider a deal to sell this property and relocate their existing security gates and offices further towards the south of the site, which would release Bailey Hall from the Nestle footprint and increase security and safety for the rest of the site.
- Potential for Bailey Hall to be used as a light commercial / office space?
- Bailey Hall is a listed property and there are issues around car parking that would need to be considered.
- A relief road that would provide access on to the M62 in an easterly direction would greatly assist Nestle overcome some of their logistical issues. Currently certain routes around Halifax need to be avoided due to the topography and constraints around the road network. A restructure (*as being considered by the team*) to take the traffic around Halifax and improve flow would greatly benefit Nestle and their operations.
- Improved pedestrian links into Halifax along with a greater leisure, visitor attraction and retail offer. Discussed that the Subway access owned by National Rail had been closed as it attracted unsolicited behaviour. Could be an opportunity to re-open if the space was improved with lighting and signage etc.



- Opportunities to make more of the Macintosh heritage links to the Nestle site
- **What is Halifax Lacking**
- Somewhere for people to go after their shift to exercise and relax
- Attractions / public realm space
- A quality retail experience



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**Meeting / File Title: Meeting with Craig and David Haymer – Dewes Garage****Date:** 9 July 2014**Ref:** 05B403815**Meeting Attendees:** Dai Powell (DP), Craig (CH) and David Haymer (DH)**Circulation:** Project team**Subject / Notes Cripplegate conversation**

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- Confirmed they have previously met with Ian Grey – confirmed then their interest in Cripplegate as a relocation site.
- Restated this interest at the meeting.
- They did (in 2007 by Rapleys) do a site search but nothing decent emerged then and have not pursued any alternative sites since.
- Feel their site is outdated but in a great location. An 'old spot' in terms of what manufacturers want out of their sites/franchises now.
- Started conversation about a move to Cripplegate c. 6 years ago. Would still be keen to move.
- Big challenge is what the cost would be to move as their reserves have been eaten away during the recession. Mentioned there may be scope to apply for European funding (*Dale/James, is there an opportunity for ERDF, etc??*)
- They would like to take enough land for a 3/4 car franchise/dealership centre (consolidate most of their existing Halifax sites). This would mean a 6-7 acre land take.
- Would rather own the site rather than occupy on a lease (below an investor/fund). Ideally they'd want to buy it and develop it themselves. This is because they feel they need to own the property to back up cashflow to fund business (they have big month-to-month fluctuations in bank borrowing).
- Confirmed again that they have not looked at anything else as an alternative site and see Cripplegate as the only/ideal option.
- Relatively flexible in terms of the timescale for the move as they have just signed a contract with Vauxhall that commits the manufacturer for 2 years. Would like to have some certainty that the move could be signed up in 18-24 months to allow them to ensure the manufacturers are on-board.
- **In terms of Halifax more generally**, as locals, felt that one of the biggest issues is the lack of disposable income in the town. Halifax needs to define its offer and perhaps needs to aim to be a niche market (esp. given mainstream offer in new shopping centres in Leeds and Bradford). Key, they feel is to get decent shops/retailers into the town centre.

**Meeting / File Title:** David Hemp (DH) – Walker Singleton (WS) re Halifax

**Date:** 1 July 2014

**Ref:** DP

**Meeting Attendees:** Phone call – DP and DH

**Circulation:** Project team

Ref		Action
<b>1.0</b>	<b>Offices</b>	
1.1	Optimistic outlook about Halifax generally.	
1.2	<b>MSP site NW of town centre</b> , prominent but derelict. Believes this is a great site – potential is good.	
1.3	<b>Dean Clough / other offices</b> – need for something to complete with DC but brave move to spec office buildings. Nothing new in Halifax TC for over 30 years. Best office site in town is on Broad Street – but lack of interest shows hold Deal Clough has and lack of demand, more generally for offices in the TC.	
1.4	Feels strategic thinking Council needs to go beyond Dean Clough. “Life beyond Dean Clough”. But feels you would need £17 psf rent for space for building to become viable. Reiterated that Broad Street the obvious one. Would need a minimum of 20,000 sq ft to pre-let to justify development.	
1.5	Some quasi Dean Clough style space currently being refurbished (to Grade A) opposite main LBG site – 11,000 sq ft.	
1.6	BUT: Dean Clough a very convincing offer – an ‘old’ offer that the market knows works. Draws demand from wider green because of quality of the offer. Total office market turn-over/quantum would be much lower without it – essentially an office park in a town centre location.	
1.7	17,000 sq ft let to Covea at Dean Clough is most recent letting – got it despite best efforts of Gregory at Broad Street.	
1.8	DH feels Dean Clough makes up 2/3 of the Halifax market, 1/3 is the rest of the town centre. If not more heavily weighted over a long period..	
<b>2.0</b>	<b>Masterplan</b>	
2.1	In terms of the masterplan – important to route people through Piece Hall and other areas.	
2.2	Worth noting that WS are selling old hotel and annex near station. Hotel group wants out.	

Ref		Action
2.3	Need look at that area around the train station for public rental improvements. But not too much intervention required. DH noted that £40m of prospects that are fully funded are due to happen over next 3 years.	
2.4	Agreed that improving connection to Dean Clough was important – need to work on the tatty blocks of property between DC and the town centre – Georgian/Victorian blocks – great buildings but tatty. Gateway blocks that need intervention.	
2.5	Feels Dews and Timeform(?) will be brought forward in time as a result of market forces but owners currently cautious about underselling.	
<b>3.0</b>	<b>Leisure</b>	
3.1	Broad Street mopped up multiple operators, but local/independents still about. E.g., Kashmiri Aroma are currently fitting out at unit opposite Broad Street.	
<b>4.0</b>	<b>Retail</b>	
4.1	Halifax punches below its weight in terms of multiple retailers.	
4.2	Lack of department stores in particular.	
4.3	Scope for these to come on with right space.	
4.4	No Starbucks – DH feels this is a good benchmark as to how poorly the town performs.	
4.5	For its size should have more multiples but big issues with physical nature of many of the buildings within the town centre.	
4.6	Woolshops – feels the centre is 'quirky/great'.	
4.7	Argument that better for the lack of multiples but town needs strong multiple offer as well.	
4.8	Bolting something on to Northgate House to take up this deficit seems to be the best bet.	

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**Meeting / File Title:** David Thompson (DT) telecon note

**Date:** 4 July 2014

**Ref:** 05B403815

**Meeting Attendees:** DT, Dai Powell (DP)

**Circulation:** Project team

**Subject / Notes**      **Discussion about marketing of Northgate House and general market thoughts**

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- **Northgate House**
- Good, wide, far reaching marketing campaign undertaken.
- All interested parties suggested viability issues in respect of a retail scheme. Mainly caused by concerns over demolition costs and level of rent an anchor (such as Primark) willing to pay.
- No proper bids received. A number of broader expressions of interest to work with (partner) Calderdale Council to try to bring a scheme forward on a JV basis. I.e. developers not willing to take the risk of buying the site without tenants in place to fill the scheme.
- SJS and Henry Boot emerged as the most likely partners/purchasers – talking about an open book approach. Both invited for a conversation. Both said there was occupier demand, but the economics didn't work. Issues with rent levels – esp. anchor, who needed to be a '£ or two better' to create viability. The occupiers esp. anchor, working on their terms.
- Also, the draw/requirement of Primark appears to have waned somewhat over the last 12 months or so although they are 'there to be persuaded'. Tom Cullen at Colliers acting for Primark. Halifax has come off their requirement list, but could go back on.
- DT suggested Debenhams may be the alternative anchor, but about to open in Bradford and suggestion is that they would want to see how that operates before committing to a nearby centre such as Halifax, too.
- DH indicated that may be worth Calderdale Council trying to find funds to demolish the building might be a good thing to do in order to de-risk the opportunity further.
- DH stated there was a disconnection between the timing for delivery (say at least 2 years) and the timing at which the retailers take decisions (much shorter timescales). Reckons none of them could take a view because the opportunity is so marginal. Intimation there that the Council may consider direct development as an option in order to de-risk even further...?
- DH reckoned trying to assemble a bigger site (i.e. with bus station and post office) was not a good idea – would actively discourage it. Scale of Northgate House opportunity



itself proving to be potentially too big for the market, and adding complexity by adding more landowners would turn off the market even more given how marginal Northgate House is proving to be.

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**Meeting / File Title: Nick Holdsworth (NH) of OCR meeting****Date:** 9 July 2014**Ref:** 05B403815**Meeting Attendees:** NH, Dai Powell (DP)**Circulation:** Project team

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**Subject / Notes Halifax Market discussion – local perspective**

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- **Very retail focussed.**
- Halifax: built a side of hill - have to complete with topography. How do you overcome gradients in terms of masterplanning / sight-lines etc.?
- Severe ring road – confines and constrains the town centre.
- Talked about OCR's **Westgate Arcade** as a great success story and possibly a model in terms of appealing to local/niche retailers. Joint scheme with Yorkshire Forward Calderdale and OCR. Never been less than 96% occupied – real local retailer interest. Have a couple of anchors then 90% of interest from local retailers. Have had a big influx from Piece Hall renovation and hope to continue to be a popular arcade once it re-opens.
- **Borough market.** Has a huge dilaps liability but feels its potential could be maximised (e.g. visibility, upper floors). Feels it is not fully utilised/managed well and is integral to success of Halifax. Offered to take over the running/management.
- **Highways:** pedestrianisation could be extended.
- Progress in **valley bottom** in large format retail offer over the last 10 years, feels there is potential for more.
- Overall, feels the town has a **poor offer of retail.** Under-represented by multiples. Mentioned that Halifax doesn't have a Poundworld as they cannot find the right site/building/space.
- Pressure on town centre to expand. Opportunities for this change are for large floorplate retailers at Northgate and Horton Street site. I.e., supports dumbbell approach – heavyweight opportunities at either end.
- NH had a lot of focus though on reuse/improvement/maximising existing buildings.
- E.g. high quality residential flats in upper floors (used Westgate Arcade as an example), where he has had no problem at all letting them. Finishing c. 2-3 residential units on line every month high demand for good quality at affordable price for people who want to live in town and walk to work at the bank/Dean Clough.



- Felt the compactness of Halifax is very convenient.
- Talked about the idea of resident/business associations (e.g. New West End Company). Trying to do something similar with a Westgate Arcade Association – gives an identity/sense of ownership to a chunk of town.
- Could go further and create quarters – luxury quarter, for example, vis-à-vis West End Company. This could in turn attract higher value retailers and increase quality.
- Westgate Arcade seen as secondary achieving c. £29 psf rent on the retail.
- Biggest issue he perceives is sizing: i.e. retailers cannot get floorplates they want.
- Has a grand plan for expansion of Westgate Arcade. E.g. would like to see pedestrianisation of Union Street to Horton Street to create another High Street. Wants to get the Council's Adult Learning Centre under OCR's control to enable a comprehensive scheme around their existing ownerships.
- Touched briefly on **town centre office market**, but NH confessed to being no expert. Office market very weak in town centre. Occupiers will always be attracted to Dean Clough due to such a strong high quality offer. How can town centre compete or support – should it even try to?
- Gave the example of Southgate House which OCR sold it in 2007. 35,000 sq ft that has remained empty since sold despite marketing.
- Strong views that offices should not be the focus of the masterplanning exercise (unless the Council are the tenants).
- Dean Clough sold as something different – a village. Their public realm is very attractive.
- Some more **general comments**:
  - LBG absolutely instrumental to vibrancy of the town centre.
  - Lunchtime trade is very important.
  - Needs to not be disconnected.
  - Branding important – look a reviewing quarters idea.
  - Feels that a leisure centre is a good idea. Can this be in town centre to improve 'whole-day' offer?



- Health. Orange box was a great idea. Positive feedback from lot of young people. But not pushed hard enough. Definitely a good idea.
  - New/refurbished housing/apartments needs to be aimed Lloyds and Dean Clough: therefore needs to be high quality. Apartments for people who would live and work in town. Could be good demand as demonstrated by his refurbs above Westgate Arcade.
  - Salter Hebble road issues: i.e. the major highways issue is away from the town centre and something could be done around narrowing of roads from M62 via Ainley Top.
  - Advantage of the town is its architecture.
  - Flats in valley bottom could work.
  - No demand for offices in town centre.
  - Extending pedestrian zones.
  - Connections between train station and town centre need to be better.
  - Royal London site could be a very big draw.
- DP's general feeling was that NH keen to 'sell' OCR rather than focus replies more generally on what Halifax needs to do to improve its offer. Lots of name drops for OCR's schemes and projects that he wants to be involved with (e.g. Royal London site). However, clearly very knowledgeable and most of his responses back up what other developers and agents have said.

## Meeting / File Title:

**Combined notes of meeting with Richard Tovey (RT) of Gregory Group and Matthew Cormack (MC) of Yorvale – as per Dai Powell’s email to project team of 20 June, 2014**

**Date:** Various **Ref:** 05B403815

**Meeting Attendees:** RT, Dai Powell (DP) **Circulation:** Project team

## **Subject / Notes**      **Halifax market discussions with Gregory Group and Yorvale**

I had a very useful hour or so with Richard Tovey (RT) from Gregory Group earlier in the week (18<sup>th</sup> June) and have today spoken to Matthew Cormack (MC) at Yorvale (20<sup>th</sup> June). I have a call outstanding to Paul Morris at SJS, as does Dale with Henry Boot. We have a call out to David Thompson at DTZ to discuss the Northgate House marketing exercise as well.

I've tried in the series of bullets below to summarise the thoughts of these developers:

### Office market

- RT would need to see a 50% pre-let before constructing the office element of Broadgate. Would need to get at least £15 psf and a high quality tenant (i.e., public sector, bank, insurance) to get the yield needed.
- RT Felt this was unlikely to happen given the lack of interest and may indeed look to get a new permission for retail.
- RT and MC said you can't underestimate the attraction of Dean Clough and Jeremy Hall's 'offer'. They both said this mops up much of the office market and because they can get space out to the market PDQ, it has an advantage versus a traditional pre-let opportunity.
- Headline rents for town set at Dean Clough - £15 psf.
- RT mentioned the "60,000 sq ft requirement that has now gone to Dean Clough" but that he envisaged such requirements being few and far between.
- Little indigenous small business demand – RT reckoned on there being up to 30,000 sq ft at most from small businesses at present.
- In terms of pavilion style own front door owner-occupier offices (re. potentially on Cripplegate), MC felt that this market had 'long-gone' and would need to secure £200 psf sale values (£15 psf and 7.5% yield equivalent) in order to create an attractive land value of c. £500,000 per acre. RT felt there may be a local market for such space, but at the very cheap end, say £100 psf sale value. Clearly, there would be a viability gap to cover at that level as I'd expect raw build costs alone to be over £100 psf.

### Non-food retail

- RT was looking at a 100,000 sq ft scheme on Northgate House including a 50,000 sq ft Primark. When in the market, he felt attracting the tenants for the other 50% of the scheme was proving very difficult – he said they were 'struggling on the balance'.



- RT feels that the Primark opportunity may be waning as they shift their attention to other centres, esp. into Europe.
- Suggestion was that Primark would pay £10-£11 psf, £15-£16 psf for the remainder – this would not deliver much if any land value.
- RT feels there is no out-of-town demand for 'big-box' retail.
- MC feels for retail to work, the developer would want to secure £14-£15 psf rent and a sub-7% yield.

### Leisure

- RT and MC feel Broad Gate has totally 'mopped up' the Leisure (i.e. theme restaurant/pub) demand in Halifax.
- Most are on 15 year leases paying around £20 psf.
- Gregory looking to sell the investment in the Autumn, and hoping to secure a 6% yield on the sale.

### General

- MC said the best way to make any form of regeneration fly at the moment is if a Council take leases – i.e. the yield strip concept.
- Speaking to a Property Finance team colleague of mine earlier in the week, he mentioned that there are lots of (primarily) pension funds looking for these guaranteed income stream deals – say for 25-30 years, cap and collar fixed uplifts – with the asset reverting back to the owner at no cost at the end of the term.
- RT mentioned the Dews Garage site and how/whether this could be incorporated into a development including the bus station, post office and Northgate House. What info does the Council hold on Dews?
- RT felt a car showroom or two might work on the Cripplegate site following the road improvements taking place – we have a view internally on rents, yields and development costs and that a car showroom or two could stack up commercially if a manufacturer or national franchise could be attracted as tenant. Whether this constitutes good regeneration is another question altogether!
- RT felt the Horton Street scheme would struggle to get off the ground, especially if based on getting Tesco's on-site, given their current moratorium on land acquisition.
- RT felt that the hotel was trading well at Broad Gate but that, again, this has effectively mopped up demand in the town (in conjunction with other budget/chain hotel operators already present).
- RT felt there may be scope for housing development (townhouse-led, not really flats) in the valley bottom area – in the loop through Cripplegate, through to the other side of the station, concentrating commercial uses in the heart of the town centre.
- From experience at Broad Gate, when in the early days they were considering an element of flatted resi, RT suggested they had quite a bit of interest from investors for a modest amount of this form of resi, potentially built to rent in the private sector – for example for week-night accommodation for office workers at the bank.



- RT feels the NHS facility at Broad Gate essentially 'mops-up' demand for a modern GP / medical centre offer for the town centre.



# Appendix B

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Economic Assessment

A Bilfinger Real Estate  
company



## Report

GVA  
First Floor  
City Point  
29 King Street  
Leeds  
LS1 2HL

DRAFT

# Halifax Town Centre Masterplan

## Economic Assessment



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## Appendices

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Appendix III	Consultation Transcripts

## 1. Introduction

- 1.1 Calderdale Council are currently in the process of producing a delivery plan for Halifax Town Centre and require a series of deliverable and sustainable projects, capitalising on the planned investment through the West Yorkshire Transport Fund (WYTF) and Strategic Economic Plan (SEP), to help underpin the economic regeneration of the town centre.
- 1.2 This document provides a market assessment<sup>1</sup> with respect to the main property sectors and forms the evidence base for the likely scale and quantum of interventions to be taken forward in the masterplan document.
- 1.3 This report also considers viability and sets out the key issues for deliverability.
- 1.4 The remainder of this document considers each market sector in turn:
- Section 2 focusses on offices
  - Section 3 examines the retail (non-food) trends
  - Section 4 considers the convenience retail sector
  - Section 5 explores the leisure sector
  - Section 6 focusses on the residential sector
- 1.5 The final section of the report explores / considers alternative forms of finance / delivery to help enable the realisation of the town centre masterplan.

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<sup>1</sup> As at August 2014

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## 2. Offices

### Overview

- 2.1 The office market in Halifax Town Centre has generally suffered from a lack of investment and has been in decline for a number of years. Existing office accommodation tends to be of older stock, which unless comprehensively refurbished does not suit the needs of the modern office occupier. Typically the office stock is characterised by 1970's office blocks such as Northgate House and Westgate House, which are both occupied by the Council and small scale offices above shops. The Council are in the process of vacating Northgate House, as part of their rationalisation programme, and once empty this property will be demolished.
- 2.2 The current asking rents for second hand space range between £18.83psm (£1.75psf) and £172psm (£16.00psf). The average 'asking' rent is circa £75psm (£7.00psf)<sup>2</sup>. Historical evidence (see later) suggests that achieved rents are slightly lower than quoted rents averaging £63.50psm (£5.90psf). These levels fall well below those that would make large scale, high quality development viable.
- 2.3 Typically we would expect schemes to be viable at around £161psm (£15psf) but the quality of the incoming tenant will also have a direct bearing on the property's asset / investment value and correspondingly the ultimate commercial viability of the proposals. In particular most developers will seek high quality covenants such as public sector organisations (i.e. the Council) as these will be viewed favourably within the 'investment markets'. The form of occupation lease will also influence investor confidence and be a fundamental component in underpinning the commercial viability with a 25 year lease term being the most 'saleable' to the markets.

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<sup>2</sup> Refer to Appendix I for vacant property schedule.

- 2.4 There are a number of office developments in the pipeline, including:
- [Croft Myl](#), which provides a total of 2,740sq.m (29,490sq.ft) of refurbished accommodation with associated car parking. Floor plates are available from 871sq.m (9,380sq.ft). The property is available to let or for sale. The asking rent is £156psm (£14.50psf) but the sale price is not quoted.
  - [One Broad Gate Plaza](#), which is a high quality 'Grade A' office development in the centre of Halifax. The building will provide up to 3,858sq.m (41,525sq.ft) accommodation in floor plates from 901sq.m (9,700sq.ft). The property is available for sale or to let. The asking rent is £188psm (£17.50psf) but the sale price is not quoted.
- 2.5 A plan showing the location of these schemes is provided in figure 1.
- 2.6 One Broad Gate Plaza is considered to be the best scheme in Halifax Town Centre but the scheme has not yet been developed due to a lack of demand. The developer<sup>3</sup> has confirmed that they would require a minimum rental value of £161psm (£15psf) and a high covenant pre-let of 50% to justify bringing forward the scheme.
- 2.7 The situation in Halifax town centre contrasts significantly with that of Dean Clough Mills, which has dominated the occupier market over the past 10 years or so. Dean Clough is located just to the north of the defined town centre and is now home to more than 140 companies employing almost 4,000 people. Key occupiers include: The Department for Work and Pensions, the NHS (West Yorkshire Ambulance Service) and the Lloyds Banking Group to name but a few. Dean Clough has built its success on the provision of high quality office accommodation in a high grade environment. Rental values are typically £156psm (£14.50psf), which are almost double those achieved in the town centre.
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<sup>3</sup> The Gregory Group

- 2.8 The other large office scheme in Halifax town centre that benefits from strong occupier demand is the Elsie Whitely Innovation Centre. Again, this is a former mill conversion situated just outside of the town centre, which offers 'units' from 10sq.m (100sq.ft) up to 46sq.m (500sq.ft). Offices 'suites' are also available from 93sq.m (1,000sq.ft) to 279sq.m (3,000sq.ft). Rental values are £172psf (£16psf) – these are all inclusive rates and include all utility costs such as heating, lighting, electricity and water, main reception duties and cleaning & maintenance of all common areas within the building. Each office is also allocated an allowance of car parking spaces, dependant on office size, charged at an additional cost of £65 per month per space.

## Demand

### Requirements

- 2.9 We are not aware of any known requirements for office accommodation within Halifax albeit we have been advised by the Council that Covéa Insurance are in talks with Dean Clough and look likely to agree an occupational lease for an additional space at this development.
- 2.10 We have approached the Council<sup>4</sup> and enquired into whether they record the enquiries (current and historic) from occupiers seeking space within the town or existing businesses who are considering relocating to alternative premises. Whilst the Council do track demand for business space across the Borough they don't hold any records. They are usually made aware of such requirements (land and property) directly from the occupier or through an inward investment request from Leeds and Partners. The Council confirmed that requirements for town centre office space are rare and where they do occur they are generally very small In terms of the amount of space required.

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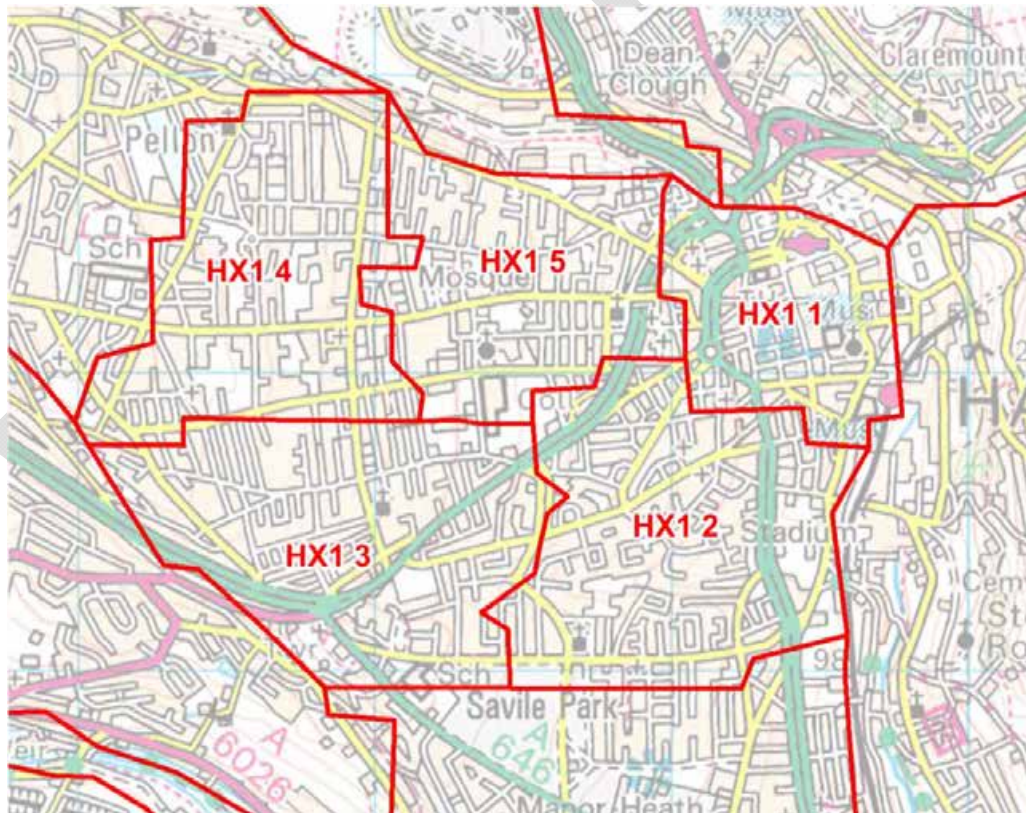
<sup>4</sup> Jon Crowther – Business Account Manger

- 2.11 The Council also confirmed that they are alerted to inquiries through the 'Key Account Management' process, such as the recent requirement for Covea Insurance (see above). However, at the current point in time there are no other known office requirements for Halifax.

#### Historic Take up Figures

- 2.12 In the absence of any live 'requirements' we have sought to benchmark the demand for office space through an analysis of past take up trends.
- 2.13 In recognition of the fact that this study is focussed on the town centre we have limited our search to the HX1 postcode sector<sup>5</sup>. The extent of this area is identified in Figure 2.

Figure 2 – Plan showing HX1 area of search.



<sup>5</sup> Inclusive of HX1 1, HX1 2, HX1 3, HX1 4 and HX1 5.

2.14 Based on data from FOCUS Research<sup>6</sup> there were 74 transactions over the period January 2003 to July 2014. The majority of these (70%) were lettings and the remainder (30%) were freehold sales.

2.15 Table 1 provides a summary of the leasehold transactions (new leases and renewals) that have taken place over this timeframe. A more detailed schedule is provided at Appendix 1. It should be noted that this is not an exclusive list and only includes details of those transactions that have been reported / disclosed by the owners or their property agents

Table 1 - Halifax Office Lettings

Year	# deals	New / Refurbished Sq.m / Sq.ft	Second Hand Sq.m / Sq.ft	Quality Not Disclosed Sq.m / Sq.ft	Total reported space let Sq.m / Sq.ft
2003	2	-	-	2,669 / 28,272	2,669 / 28,272
2004	2	-	225 / 2,417	151 / 1,630	376 / 4,047
2005	3	264 / 2,838	113 / 1,217	-	377 / 4,055
2006	4	-	1,176 / 12,663	-	1,176 / 12,663
2007	8	-	1,226 / 13,195	-	1,226 / 13,195
2008	8	118 / 1,266	775 / 8,346	330 / 3,555	1,223 / 13,167
2009	4	-	786 / 8,459	135 / 1,452	921 / 9,911
2010	3	-	973 / 10,476	53 / 573	1,026 / 11,049
2011	6	343 / 3,700	1,080 / 11,622	-	1,423 / 15,322
2012	3	-	440 / 4,735	-	440 / 4,735
2013	8	-	297 / 3,201	1,635 / 17,603	1,933 / 20,804
2014	1	-	362 / 3,902	-	362 / 3,902
<b>Totals</b>	<b>52</b>	<b>725 / 7,804</b>	<b>7,454 / 80,233</b>	<b>4,932 / 53,085</b>	<b>13,110 / 141,122</b>

Source: FOCUS Research

<sup>6</sup> FOCUS is the UK's most comprehensive database of verified commercial property information. They actively track over 110,000 between office, shops or industrial units available for sale or to let in the UK, and employ the industry's largest research team to keep their records up to date.

- The period 2003 to 2014 witnessed 52 recorded transactions. This equates, on average, to be between 4 and 5 deals per annum.
- Throughout this period just over 13,000sq.m (140,000sq.ft) was let, which translates to an average take up of 1,084sq.m (11,666sq.ft) per annum.
- Only 5.5% of the let floorspace related to new or refurbished accommodation which equates to an average take up of 60sq.m (645sq.ft) per annum. This space was provided within 4 transactions which accounts for 7.7% of the actual number of deals and equates to 0.33 deals per annum.
- More than half (57%) of the let floorspace, over this period, was 'second hand'. A total of 7,454sq.m (80,233sq.ft) was let throughout this period which is the equivalent of 621sq.m (6,686sq.ft) per annum. In total there were 37 transactions which accounts for almost two thirds of the deals and equates to just over 3 deals per annum.
- The quality of space within the remaining transactions was not disclosed. There were eleven transactions within this category which reflects just over 20% of the deals. The total 'undisclosed' floorspace accounts for 38% of the transacted space and equates to an average take up rate of 367sq.m (3,968sq.ft) per annum.
- The biggest transaction throughout this period was a letting of 2,402sq.m (25,860sq.ft) at Westgate House in 2003. We understand this is likely to have been the Council.
- Over this time period the 'achieved' rental values for new / refurbished properties ranged between £29psm (£2.70psf) up to £59psm (£5.50psf); the average rent being £44psm (£4.10psf). However, this analysis is based on a very limited sample meaning it is difficult to draw any meaningful conclusions.
- The 'achieved' rental values for second hand properties ranged between £43.05psm (£4.00psf) up to circa £97psm (£9.00psf); the average rent being £63.50psm (£5.90psf).
- The 'undisclosed properties' achieved rents from £52psm (£4.82psf) up to £72.65psm (£6.75psf); the average rent was £60.60psm (£5.63psf).

*On average there is between 4 and 5 deals per year which translates to an annual take up of 1,084sq.m (11,666sq.ft).*

2.16 Table 2 provides a summary of all the freehold transactions<sup>7</sup>, including purchasers by owner occupiers and investors.

Table 2 - Halifax Office Freehold Sales

Year	# deals	New / Refurbished Sq.m / Sq.ft	Second Hand Sq.m / Sq.ft	Not Disclosed Sq.m / Sq.ft	Total reported space let Sq.m / Sq.ft
2003	-	-	-	-	-
2004	2	-	774 / 8,335	-	774 / 8,335
2005	-	-	-	-	-
2006	4	-	-	570 / 6,132	570 / 6,132
2007	2	-	304 / 3,267	-	304 / 3,267
2008	-	-	-	-	-
2009	2	-	402 / 4,332	-	402 / 4,332
2010	-	-	-	-	-
2011	3	-	1,035 / 11,144	-	1,035 / 11,144
2012	2	-	778 / 8,381	-	778 / 8,381
2013	6	-	1,053 / 11,334	-	1,053 / 11,334
2014	-	-	-	-	-
<b>Totals</b>	<b>21</b>	<b>-</b>	<b>4,347 / 46,793</b>	<b>570 / 6,132</b>	<b>4,917 / 52,925</b>

Source: FOCUS Research

- Over the period 2003 to 2014 there have been 21 recorded freehold sales, which is an average of almost two transactions per annum.
- Throughout this period just over 4,645sq.m (50,000sq.ft) has been sold, which translates to an average of 387sq.m (4,167sq.ft) per annum.
- Almost 90% of the sold floorspace is second hand with the remaining space being undisclosed. This equates to an average take up of 362sq.m

<sup>7</sup> A detailed schedule is provided at Appendix 1

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(3,889sq.ft) of second hand and 47sq.m (511sq.ft) of undisclosed space per annum.

- There was no new or refurbished space sold throughout this period.
- More than two thirds of the freehold sales were associated with second hand properties. This translates to just over one sale per year.
- The biggest freehold transaction, throughout this period, was the sale of 775sq.m (8,335sq.ft) at Causeway House in 2004.
- Capital values for second hand properties ranged between £451psm (£41.91psf) and £1,130psm (£105psf); the average value is £749psm (£69.59psf).
- The average sale price for undisclosed properties is £618psm (£57.40psf).

*There is an average of 2 freehold transactions per year which equates to an average disposal of 387sq.m (4,167sq.ft) per annum.*

#### Dean Clough

- 2.17 The results presented in Tables 1 and 2 exclude any transactional evidence from Dean Clough Mills. This is because the site is located within the HX3 postcode sector; therefore, the respective data is not captured within our analysis. However, even when the search area is extended to include HX3 there is very little transactional evidence associated with Dean Clough Mills despite the anecdotal evidence, which suggests this development has captured the majority of occupier demand within the town. We understand that this is because the management team (including their agents) generally do not release this information.
- 2.18 Focus Research for Dean Clough Mills only has records from 2008 in which 8,187sq.m (88,117sq.ft) of space was occupied within 'G Mill'. The asking rents were £150psm (£14psf) but the achieved rents were undisclosed.
- 2.19 Despite the dearth of evidence the success of Dean Clough Mills can be easily benchmarked against the wider offer within Halifax Town Centre, as the

space occupied within 'G Mill' in 2008 equates to almost two thirds of the total floorspace occupied within Halifax town centre over the past 11 years. In addition the average annual take up rate within Halifax town centre over the period 2003 to 2014 (1,084sq.m /11,666sq.ft), only equates to 13% of the total space occupied in G Mill back in 2008.

## Competition

- 2.20 The main competing locations for office occupiers are:
- 2.21 [Lowfields Business Park](#) – Elland, which is one of the most successful industrial and office parks on the M62 corridor. Since 1996 the park has witnessed the construction of more than 111,480sq.m (1,200,000sq.ft) of office and industrial accommodation. Although most of Lowfields is in industrial use the flat land in this area has enabled purpose built office accommodation to be constructed, which is only one of a few locations in Calderdale with modern office buildings. Current asking values are around £129psm (£12.00psf) for modern premises.
- 2.22 It was intended the Lowfields would provide a long term supply of land for B1/B2 uses but the park is now almost fully developed.
- 2.23 [Dean Clough](#) - despite being located on the periphery of Halifax town centre the linkages into Dean Clough Mills are very poor which consequently isolate the site meaning it effectively takes on the characteristics of an out of town business park, with very few of the 4,000 or so employees venturing into the town centre.
- 2.24 As already discussed Dean Clough Mills has generally satisfied the overwhelming majority of all occupier demand in Halifax. The process of renovation at Dean Clough is on-going and newly renovated space is continually becoming available. Around 7,246sq.m (78,000sq.ft) is currently available and a further 9,290sq.m (100,000sq.ft) is under development.

## Supply / Availability


- 2.25 We have again obtained data from FOCUS Research with regard to vacant property currently being marketed within the town. Once again this has been limited to the search area shown in Figure 2.
- 2.26 In summary there is currently around 22,296sq.m (240,000sq.ft) of vacant accommodation, which is split between leasehold and freehold floorplace, as summarised in Tables 3. Detailed schedules are provided at Appendix 1. It should be noted that this is not an exclusive list. It merely provides an indication as to the approximate quantum and quality of floorspace that is currently available.
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Table 3 - Halifax Supply: Leasehold

	Size Band Sq.m / Sq.ft	Second Hand			New / Refurbished		
		No	Total Space Sq.m / Sq.ft	Average Size Sq.m / Sq.ft	No	Total Space Sq.m / Sq.ft	Average Size Sq.m / Sq.ft
Leasehold	<93 / 1000	26	1,344 / 14,470	52 / 557	-	-	-
	93 – 465 / 1001 – 5,000	28	6,920 / 73,144	243 / 2,612	-	-	-
	465 – 929 / 5,001 – 10,000	1	558 / 6,010	558 / 6,010	3	2,740 / 29,490	913 / 9,830
	929 – 1,394 / 10,001 – 15,000	-	-	-	4	3,858 / 41,525	964 / 10,381 <sup>8</sup>
	>1,394 / 15,000	-	-	-	-	-	-
		<b>55</b>	<b>8,822 / 93,624</b>	<b>158 / 1,702</b>	<b>7</b>	<b>6,598 / 71,015</b>	<b>943 / 10,145</b>
Freehold	<93 / 1000	-	-	-	-	-	-
	93 – 465 / 1001 – 5,000	6	1,140 / 12,274	190 / 2,046	-	-	-
	465 – 929 / 5,001 – 10,000	-	-	-	-	-	-
	929 – 1,394 / 10,001 – 15,000	-	-	-	-	-	-
	1,394 / 2,323 / 15,001 – 25,000	1	2,112 / 22,737	2,112 / 22,737	-	-	-
	2,323 – 3,252 / 25,001 – 35,000	-	-	-	-	-	-
	3,252 – 4,645 / 35,001 – 50,000	-	-	-	2	7,510 / 80,845	3,755 / 40,422

<sup>8</sup> It should be noted that new / refurbished space in this size band is exclusively provided in One Broad Street. The building will provide up to 3,858sq.m (41,525sq.ft) of accommodation which is available in 4 single floor plates or as a whole.

	4,645 – 9,290 / 50,001 – 100,000	-	-	-	-	-	-
	>9,290 / 100,000	-	-	-	-	-	-
		7	3,252 / 35,011	465 / 5,001	2	7,510 / 80,845	3,755 / 40,422

Focus Research 2014

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### Leasehold Availability - Halifax Town Centre (excluding Dean Clough)

- There is circa 15,329sq.m (165,000sq.ft) of office floorspace currently being marketed to let. More than half (57%) of this space is second hand with the remainder being new / refurbished floorspace.
- In total this space is provided across 62 units / properties with almost 90% being classed as second hand. The remaining units are new / refurbished.
- Almost half (47%) of the second hand stock is less than 93sq.m (1,000sq.ft), just over 50% is between 93sq.m and 465sq.m (1,001sq.ft and 5,000sq.ft) and the remaining properties (2%) are between 465sq.m and 929sq.m (5,000 and 10,000sq.ft). The average sized property is 158sq.m (1,702sq.ft).
- 42% of the new / refurbished stock is between 465sq.m and 929sq.m (5,000sq.ft and 10,000sq.ft). The remaining properties are between 930sq.m and 1,394sq.m (10,001sq.ft and 15,000sq.ft). The average sized new / refurbished unit is 943sq.m (10,145sq.ft).
- There is no vacant space greater in size than 1,394sq.m (15,000sq.ft). However, it should be noted that some properties offer multiple floor plates, which could be combined to satisfy larger requirements. There are currently three properties which fall into this category:
  - [Croft Myl](#) is in a central location close to Lloyds Retail Banking Headquarters. The property provides a total of 2,740sq.m (29,490sq.ft) of refurbished accommodation with associated car parking. Floor plates are available from 871sq.m (9,380sq.ft). The property is available for sale or to rent. The asking rent is £156psm (£14.50psf) but the sale price is not disclosed
  - [One Broad Gate Plaza](#) is a high quality Grade A office development in the centre of Halifax. The building will provide up to 3,858sq.m (41,525sq.ft) accommodation in floor plates from 901sq.m (9,700sq.ft). The property is available for sale or to let. The asking rent is £17.50psf but the quoted sale price is not disclosed.

- o **South Gate House** is a second hand property offering a total of 2,285sq.m (24,600sq.ft). Floor plates are available from 637sq.m (6,865sq.ft) up to 695sq.m (7,483sq.ft). The quoting rents are £53.82psm (£5.00psf).
- In terms of rental values the asking rents for second hand space range between £18.83psm (£1.75psf) and £172psm (£16.00psf). The average rent is circa £75psm (£7.00psf).
- The asking rents for new / refurbished space range between £156psm (£14.50psf) and £188psm (£17.50psf).

*The current supply of leasehold properties provide a 12 to 14 year supply based on past take up rates.*

#### Office (Freehold) Availability

- There is currently 10,763sq.m (115,856sq.ft) of vacant office space available for sale. Most of this (70%) is new or refurbished space. However, this is provided within two schemes / properties - Croft Myl and One Broad Street – which, as stated previously, are available for sale or to rent. In addition One Broad Street has not yet commenced so this is not immediately available. Therefore, the actual new / refurbished space that is currently available only extends to 3,653sq.m (39,320sq.ft). On this basis the new / refurbished space accounts for just over half of the freehold accommodation that is immediately available<sup>9</sup>.
- When excluding One Broad Street there is only one property that provides new / refurbished accommodation and this equates to 12.5% of the total number of vacant properties.

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<sup>9</sup> When excluding One Broad Street the overall available space falls to 6,905sq.m (74,331sq.ft).

- Most of the second hand properties (85%) are between 93sq.m and 465sq.m (1,001 and 5,000sq.ft). The average sized property equates to 190sq.m (2,046sq.ft).
- There is only one property which is greater than 465sq.m (5,000sq.ft). This is the Halifax Courier Building which extends to 2,112sq.m (22,737sq.ft).
- The capital values for second hand properties range between £540psm (£51psf) and £1,668psm (£155psf). The average value is approximately £861psm (£80psf)

*The current supply of freehold properties equates to a 4 year supply based on the average number of transactions per annum. However, this is misleading as there are currently a number of large properties available. If we examine the available floorspace this would provide a 27 year supply based upon the average transaction size.*

#### Dean Clough Availability

- 2.27 Despite Dean Clough Mill being situated outside of our search area<sup>10</sup> we have referred to Focus Research for information on vacant floorspace. However, no records / data are held within this database. In this respect we have sourced information directly which confirms that 7,246sq.m (78,000sq.ft) is currently available with a further 9,290sq.m (100,000sq.ft) under development.
- 2.28 In 2009 Dean Clough Ltd produced a Strategic Plan that outlined the long term development plans for the site. Whilst the short to medium stages of the plan focus on the requirements customers will place on the existing mill

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<sup>10</sup> Refer to Figure 2.

buildings the latter stages incorporate ambitious plans for 'new build' elements for which the scale and quantum are not yet known.

### **Anecdotal Evidence**

2.29 To support the data from Focus we have also contacted a number of local developers / agents to ascertain their views on the local office market. Our detailed transcripts are included at Appendix 2 but a summary of the main findings are set out below:

- Dean Clough reportedly captures two thirds of the occupier demand in Halifax, with the remaining demand focussed on the town centre.
- Dean Clough provides a very convincing offer that the market knows well, with established rents at between £150psm and £161psm (£14 and £15psf).
- No new build office accommodation has been built within Halifax for the last 30 years so there is nothing of any scale or quality to compete with Dean Clough. The best scheme in Halifax Town Centre is One Broad Street Plaza where the Gregory Group has permission for 3,855sq.m (41,500sq.ft) of new Grade A accommodation but the scheme has not yet been developed due to a lack of demand. The developers have confirmed that they would require a minimum rental value of £161psm (£15psf)<sup>11</sup> and a pre-let of 50% to justify bringing forward the scheme.
- Covea Insurance has recently agreed to lease around 6,510sq.m (70,000sq.ft) at Dean Clough despite new build opportunities being available within the town centre (i.e. Broadgate Plaza albeit this building would not have been big enough to accommodate the requirement from Covea). This demonstrates the pull of Dean Clough with the general town centre office market not able to compete.

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<sup>11</sup> The property is currently being marketed at £188psm (£17.50psf)

- There is felt to be little indigenous demand from small businesses with the maximum / cumulative requirement for nothing more than 2,787sq.m (30,000sq.ft) at the current point in time.
- There is thought to be limited demand for 'own front door' pavilion style offices and any scheme would need to secure sales values of £2,153psm (£200psf<sup>12</sup>) in order to provide an attractive land value of circa £1,235,550 per ha (£500,000 per acre). Demand is likely to be for the cheaper end at say £1,076psm (£100psf) sales value but at this level the value is unlikely to cover the build costs.
- Rental values need to significantly improve to get developers interested and even then schemes will require tenants with good covenants (i.e. the Council) who are prepared to sign up to a minimum of 15years with no breaks.

## Viability

2.30 To help understand the feasibility of office development in the town centre we have undertaken a number of development appraisals based on the following scenarios.

- **Appraisal 1:** A 4,645sq.m (50,000s.ft) speculative office scheme valued on an investment basis; and
- **Appraisal 2:** A bespoke 929sq.m (10,000sq.ft) pavilion style office scheme valued on a freehold disposal / capital value basis.

2.31 In both scenarios we have assumed the development would take place on an unencumbered site. The rationale for this approach is to determine whether it is site specifics which are having an impact on the feasibility of

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<sup>12</sup> £15psf and 7.5% yield equivalent

office schemes within the town centre or general market failure (i.e. poor demand and low rents).

2.32 Our development appraisals are included at Appendix 2 but summarised in Tables 4 and 5.

Table 4 – Appraisal 1 (Speculative Office Scheme)

Project Value	A. Estimated Rental Value (ERV)- £161psm (£15psf)	£750,000
	B. YP based on a yield of 7%	14.2857
	C. Investment Value (A x B)	£10,714,275
	D. Rent free period of 6months	0.9667
	<b>E. Gross Development Value (C x D)</b>	<b>£10,357,891</b>
	F. Purchasers Costs at 5.8%	-£595,579
	<b>G. Net Development Value (E – F)</b>	<b>£9,762,312</b>
Development Costs	H. Town planning	£20,000
	I. Survey	£20,000
	J. Construction Costs at £130psf <sup>13</sup>	£7,222,222
	K. Contingency @ 5%	£361,111
	L. Professional Fees @ 10%	£722,222
	M. Marketing	£20,000
	N. Letting agents fees @ 10% of ERV	£75,000
	O. Letting legal fees @ 5% of ERV	£37,500
	P. Sales agent fee @ 1% of Net Development Value	£97,623
	Q. Sales legal fee @ 0.5% of Net Development Value	£48,812
	R. Finance at 6.5%	£731,455
	<b>S. Total Development Costs (TDC)</b>	<b>£9,355,945</b>
	<b>T. Developers profit @ 20% of TDC</b>	<b>£1,871,189</b>
	Gross Residual Land Value (G - (S+T))	<b>-£1,464,822</b>

<sup>13</sup> Based on a gross developable area of 5,161sq.m (55,556sq.ft)

	Purchasers Costs	n/a
	<b>Net Land Value</b>	<b>-£1,464,822</b>

- 2.33 The previous appraisal demonstrates that speculative office development is unlikely to be viable at the current point in time. If the rental value is increased to £188psm (£17.50psf), which accords with the asking value for One Broad Street Plaza, but everything else remains unchanged<sup>14</sup> the appraisal still generates a negative land value of **-£131,658<sup>15</sup>**.
- 2.34 Assuming the Council or another public sector organisation occupied the building for a term of 25years with fixed rental increases the yield is likely to be nearer 5.5%. If this yield is substituted for the existing yield in appraisal 1 (7%) and assuming the rental value remains at £161psm (£15psf) the appraisal generates a positive land value of circa £630,000<sup>16</sup>.
- 2.35 This supports the anecdotal evidence from the developers of One Broad Street Plaza who confirmed they would require a minimum rental value of £161psm (£15psf) and a strong covenant pre-let, of a least 50%, to justify bringing forward the scheme.

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<sup>14</sup> Note the letting and sale agents and legal fees will be higher due to the increased rental and associated investment value.

<sup>15</sup> Refer to Appraisal 1a at Appendix 2.

<sup>16</sup> Refer to Appraisal 1b at Appendix 2.

Table 5 – Appraisal 2 (Bespoke Pavilion Office Scheme)

Project	A. Estimated Market Value (MV) - £649psm (£60psf)	£600,000
	<b>B. Development Value</b>	<b>£600,000</b>
Development Costs	C. Town planning	£20,000
	D. Survey	£20,000
	E. Construction Costs at £85psf <sup>17</sup>	£944,444
	F. Contingency @ 5%	£47,222
	G. Professional Fees @ 10%	£94,444
	H. Marketing	£20,000
	I. Sales agent fee @ 1% of Net Development Value	£6,000
	J. Sales legal fee @ 0.5% of Net Development Value	£3,000
	K. Finance at 6.0 %	£5,710
	<b>L. Total Development Costs (TDC)</b>	<b>£1,160,820</b>
	<b>M. Developers profit @ 20% of TDC</b>	<b>£232,164</b>
	Gross Residual Land Value (B - (L+M))	<b>-£792,984</b>
	Purchasers Costs	n/a
<b>Net Land Value</b>	<b>-£792,984</b>	

2.36 Appraisal 2 also demonstrates that bespoke office schemes are unviable forms of development in the current market, assuming a sales value of £649psm (£60psf).

2.37 We have also run the appraisal assuming a capital / sales value of 1,076psm (£100psf) but this still generates a negative land value of **-£408,669<sup>18</sup>**. However, when the sales value is increased to £2,153psm (£200psf), which is

<sup>17</sup> Based on a gross developable area of 1,032sq.m (11,111sq.ft)

<sup>18</sup> Refer to Appraisal 2a at Appendix 2.

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the value considered necessary to make a scheme viable, the appraisal generates a positive land value of approximately £400,000<sup>19</sup>.

- 2.38 The results of this exercise support the anecdotal evidence (see earlier) which suggested that a scheme would need to secure sales values of £2,153psm (£200psf) in order for it to be viable. However, the same anecdotal evidence also suggested that demand would be more likely towards the cheaper end at say £1,076psm (£100psf) and it has been proven that these values would not cover the actual build costs, as we have demonstrated through appraisal 2a.

### Conclusions and Interventions

- 2.39 There would appear to be no quantitative demand for new office space within the town centre. Whilst there is a clear qualitative need for new Grade A space the low rental values mean that schemes are unviable / not feasible in the current market without significant public sector stimulus such as gap funding. Such programmes have been successful in the past where Cities such as Sheffield and Liverpool have benefitted from ERDF programme funds, which have been specifically prioritised to address the failure of the office markets in these locations. Wakefield also benefitted from significant public sector intervention in the realisation of Merchant Gate and the new Westgate Railway station. In the absence of gap funding the onus will be on the Council through head leases and yields strips etc. but such solutions are likely to be high risk for the Council.
- 2.40 In this context there is limited scope for new office space/developments to form part of the town centre masterplan.

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<sup>19</sup> Refer to Appraisal 2c at Appendix 2.

- 2.41 Instead the Council should seek to put in place mechanisms to encourage an increase in the supply of quality accommodation as a means of capturing any latent demand, which is more often than not supply led. For example the Council could put in place a Local Development Order (LDO) to encourage the conversion of vacant properties to office use
- 2.42 LDOs are an existing part of the planning system falling under the provisions of the Town & Country Planning Act 1990, as amended. LDOs were introduced by the Planning and Compulsory Purchase Act 2004 and commenced in 2006 and were amended by the Planning Act 2008. The detailed legal provisions on LDOs are contained in Article 34 and Schedule 7 to the Town and Country Planning (Development Management Procedure) (England) Order 2010 which came into force in October 2010.
- 2.43 LDOs grant permission for the type of development specified in the Order, and by doing so, removes the need for a planning application to be made by the developer. If development complies with the requirements of the LDO it can be assumed that it can be started straight away (subject to compliance with the requirements of other legislation). The Local Planning Authority has the right to apply conditions on the LDO, similar to those that might be applied to a planning permission, to ensure that the development is acceptable in planning terms.
- 2.44 The Government has produced a guidance note for local authorities to support the preparation of LDOs. This advises local authorities to avoid any conditions which are not absolutely essential to make the resultant developments acceptable in planning terms.
- 2.45 The Council could also explore way of stimulating demand through economic initiatives. For example the Council could explore the feasibility of a town centre Growth Zone similar to Bradford. The City Centre Growth Zone in Bradford is part of a £35m initiative funded by Bradford Council and the
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Government's Regional Growth Fund. Eligible businesses can receive rate rebates if they demonstrate that they are creating new jobs in the city centre. Successful applicants could receive a business rate rebate of up to £16,000 for each new full time equivalent job created per year, to a maximum of the total business rates payable for three years. In addition businesses that bring disused space back into permanent commercial use as a result of creating new jobs will also be able to access a one off rebate to cover any increased rates bills from the new space.

DRAFT

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## 3. Non Food Retail

### Overview

- 3.1 Property Market Analysis (PMA) data states that Halifax has an estimated 'shopping population' of 104,000, which is above the average<sup>20</sup> for 'average towns'. The town is expected to see close to average growth in shopper population up until 2018.
- 3.2 The town ranks 140<sup>21</sup> in terms of the volume of comparison retail spend available in the catchment area and is forecast to see below average growth in the available pool of comparison spending over the forecast period, end of 2013 to 2018. The Halifax catchment population is not identified as being particularly affluent, ranking 148 of the PROMIS Centres on the PMA affluence indicator. Per capita retail spending levels are comparable with the PROMIS average.
- 3.3 Halifax has a slightly below average volume and quality of retail provision relative to the size and affluence of its shopping population. White Young Green's Retail Needs Assessment (2009) identified that Halifax's town centres comparison goods retail offer was significantly below the national average in terms of both the number of outlets and floorspace. The study also identified a high proportion of smaller retail units in the town centre, with 51.6% of the shops being smaller than 93sq.m (1,000sq.ft), compared with a UK average of 39.1%. These smaller units are not compatible with the majority of modern national retailer requirements, many of whom are now seeking units over 929sq.m (10,000sq.ft).

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<sup>20</sup> It is not known whether the town is significantly or marginally above the above

<sup>21</sup> There are 200 PROMIS centres

3.4 The Retail Needs Assessment and the Core Strategy Refined Issues and Options (January 2011)<sup>22</sup> also identified that Halifax had declined in the national retail rankings between the period 2004 to 2008, which was directly linked to a lack of:

- Key anchor retailers;
- Appropriate retail outlets for perspective retailers; and
- High quality large retail units.

3.5 PMA indicates that town centre retail floor space in Halifax is estimated at 78,965sq.m (850,000sq.ft). The prime town centre retail pitch is The Woolshops Shopping Centre, which provides around 21,163sq.m (227,714sq.ft) of floorspace. The scheme is anchored by Marks and Spencer and other retailers include TopShop/Topman, River Island, New Look, Mothercare, Boots and WHSmiths.

3.6 Market Street is also a busy pitch and has a number of national operators which include Boots, Poundland, Shoe Zone, Dorothy Perkins and a Tesco Metro.

3.7 The Westgate Arcade provides an attractive covered street scene which is home to a number of local / independent operators. This offer is complementary to the main town centre.

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<sup>22</sup> We note that the Council is in the process of streamlining the production of the Local Plan and will be merging the Core Strategy and Land Allocations into a single plan.

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- 3.8 The Borough Market also provides a focus for the town centre based around the pedestrianised streets of Southgate, Cornmarket and Russell Street where Wilkinson's, Listers Jewellers, Burtons, Clarks and McDonalds are represented.
- 3.9 Prime rents within the town have reached circa £968psm (£90psf) Zone A, which are 10% below the pre-recession peak of £1,076psm (£100psf) Zone A. Prime yields in Halifax are thought to be around 7% and are 250 basis points above the pre-recession peak. We understand the Woolshops Shopping Centre was put to the market a few years ago at a quoting price of circa £40m, which reflected a net initial yield of 7.25%, but the sale was eventually withdrawn due to a lack of interest.
- 3.10 The town centre is typically characterised by listed / historic buildings which are not suitable for modern retailer's requirements / purposes. In addition the compact urban form and topography issues have forced retailers to look outside of the town centre to satisfy their requirements.
- 3.11 In terms of the out of town retail offer the supply is estimated, by PMA, at 43,570sq.m (469,000sq.ft), ranking the town 142 of the PROMIS Centres with overall provision of floorspace around the PROMIS average, although this varies across key goods categories. Some categories are over represented<sup>23</sup> particularly electrical and fashion / other high street goods. In contrast, child / sport, other bulky and furniture/shing goods are under-represented on this basis.
- 3.12 Around 44% of the out of town floorspace is on retail parks, which is slightly below the PROMIS average. The principal retail parks within Halifax include:
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<sup>23</sup> In terms of provision per household

- The Victoria Retail Park – anchored by B&Q;
- Charlestown Road Retail Park – anchored by Next and PC World;
- Greenmount Retail Park – anchored by Argos; and
- Crossley Retail Park – anchored by Aldi, Halfords and Pets at Home.

3.13 In addition there are a number of solus (stand alone) units including B&M Homestores on Shay Syke, Matalan on Berry Lane, The Range on Pellon Lane and Wickes on Wade Street.

## Demand

### Retailer Requirements

- 3.14 According to PMA, there were 8 reported requirements for Halifax, in July 2014, against an average of 13, ranking the town 102 of the PROMIS Centres. The town broadly has the expected level of demand for a town of its size and status.
- 3.15 However, it should be noted that many retailers do not publish requirements through these mediums, preferring to keep them confidential. Conversely other retailers will publish a requirement for most locations to gather intelligence of opportunities. As such this indicator needs to be viewed with caution.
- 3.16 The DTZ Economic Impact Assessment – Northgate House and the Central Library and Archive Facility (July 2012) concluded that only 58% of the major department stores, mixed goods and clothing retailers were represented in Halifax town centre with their being notable absentees including Next (currently operating from out of town retail park), Primark, H&M and the major department stores (BHS, Debenhams, House of Fraser and John Lewis).

### Historic Take up Figures

3.17 Based on data from FOCUS Research there were 119 transactions over the period January 2003 to July 2014. The majority of these (82%) were lettings and the remainder were freehold sales

3.18 Table 6 provides a summary of the leasehold transactions that have taken place over this timeframe. A more detailed schedule is provided at Appendix 1. It should be noted that this is not an exhaustive list. It merely provides an indication as to the approximate quantum and quality of floorspace that has been transacted over the prescribed time period.

Table 6 - Halifax Retail (High Street non-food) Lettings

Year	# deals	New / Refurbished Sq.m / Sq.ft	Second Hand Sq.m / Sq.ft	Not Disclosed Sq.m / Sq.ft	Total Sq.m/ Sq.ft
2003	5	-	-	1,230 / 13,242	1,230 / 13,242
2004	4	-	-	448 / 4,822	448 / 4,822
2005	2	-	-	272 / 2,926	272 / 2,926
2006	5	-	-	1,449 / 15,594	1,449 / 15,594
2007	3	-	91 / 980	1,053 / 11,333	1,144 / 12,313
2008	9	-	-	4,471 / 48,128	4,471 / 48,128
2009	9	-	482 / 5,183	382 / 4,110	863 / 9,293
2010	15	-	4,977 / 53,574	-	4,977 / 53,574
2011	18	-	3,815 / 41,063	6,238	4,394 / 47,301
2012	13	92 / 989	1,926 / 20,727	-	2,017 / 21,716
2013	9	-	1,345 / 14,481	-	1,345 / 14,481
2014	5	-	920 / 9,906	-	920 / 9,906
<b>Totals</b>	<b>97</b>	<b>93 / 998</b>	<b>13,555 / 145,914</b>	<b>9,884 / 106,393</b>	<b>23,531 / 253,296</b>

Source: FOCUS Research

- The period 2003 to 2014 recorded 97 leasehold transactions. This equates to approximately 8 deals per annum.
- Throughout this period just over 23,531sq.m (253,296sq.ft) was let, which translates to an average take up of 1,960sq.m (23,531sq.ft) per annum.
- Only 0.4% of the let floorspace related to new or refurbished accommodation. This space was provided within a single transaction, which accounts for 1% of the total number of deals.
- More than half (58%) of the let floorspace, over this period, was 'second hand' and total of 13,555sq.m (145,914sq.ft) was let throughout this period, which is the equivalent of 1,130sq.m (12,164sq.ft) per annum. In total there were 65 transactions which account for just over two thirds of the deals and equates to around 5 deals per annum.
- The quality of space within the remaining transactions was not disclosed. There were 31 transactions within this category which is almost one third of the total number of deals. The total 'undisclosed' floorspace accounts for 42% of the transacted space and equates to an average take up rate of 824sq.m (8,866sq.ft) per annum.
- The biggest transaction, throughout this period, was a letting of 3,208sq.m (34,534sq.ft) at the Woolshops Shopping Centre in 2010.
- Over this time period the 'achieved' rental value for new / refurbished properties was £109psm (£10.11psf), albeit this is based on a single transaction.
- The 'achieved' rental values for second hand properties ranged between £18.73psm (£1.74psf) and £495psm (£46.03psf); the average rent being £135psm (£12.50psf).
- The 'undisclosed properties' achieved rents from £48.65psm (£4.52) up to £595psm (£55.28psf); the average rent was £181.38psm (£16.85psf).

3.19 Table 7 provides a summary of the freehold transactions<sup>24</sup>.

Table 7 - Halifax Retail (High Street non-food) Freehold Sales

Year	# deals	New / Refurbished Sq.m / Sq.ft	Second Hand Sq.m / Sq.ft	Not Disclosed Sq.m / Sq.ft	Total reported space let Sq.m/ Sq.ft
2003	1	-	-	-	-
2004	3	-	-	266 / 2,867	266 / 2,867
2005	2	-	-	166 / 1,785	166 / 1,785
2006	1	-	-	-	-
2007	0	-	-	-	-
2008	4	-	-	841 / 9,055	841 / 9,055
2009	1	-	749 / 8,059	-	749 / 8,059
2010	2	-	169 / 1,814	-	169 / 1,814
2011	2	-	106 / 1,137	-	106 / 1,137
2012	1	117 / 1,258	-	-	117 / 1,258
2013	4	-	799 / 8,602	212 / 2,287	1,012 / 10,889
2014	1	-	41 / 445	-	41 / 445
<b>Totals</b>	<b>22</b>	<b>117 / 1,258</b>	<b>1,863 / 20,057</b>	<b>1,486 / 15,994</b>	<b>3,466 / 37,309</b>

Source: FOCUS Research

- Over the period 2003 to 2014 there have been 22 recorded freehold sales, which is an average of almost two transactions per annum.
- Throughout this period just over 3,437sq.m (37,000sq.ft) has been sold, which translates to an average of 286sq.m (3,083sq.ft) per annum.
- Just over 50% of the sold floorspace is second hand with only 3% being classed as new / refurbished. The remaining space was undisclosed. This equates to an average take up of 155sq.m (1,671sq.ft) of second hand space and 124sq.m (1,332sq.ft) of undisclosed space per annum.

<sup>24</sup> A detailed schedule is provided at Appendix 1

- Almost one third of the freehold sales were associated with second hand properties.
- The biggest freehold transaction, throughout this period, was the sale of 401sq.m (4,319sq.ft) at Old Clock Yard in April 2013.
- Capital values for second hand properties ranged between £323psm (£30psf) and £2,379psm (£221psf); the average value is circa £1,173psm (£109psf).
- Capital values for undisclosed properties ranged between £312psm (£29psf) and £28psm (£302psf). The average sale price is around £1,302psm (£121psf).

*“Throughout the period 2003 to 2014 Halifax has witnessed the sale of 2,247sq.m (24,190sq.ft) of retail space per annum and the majority of this has been second hand space”.*

#### Retail Capacity

- 3.20 The Calderdale Retail Needs Assessment (RNA) – Population and Expenditure Update (January 2014) sets out the retail requirements / needs, in terms of new floor space, over the short (to 2014), medium (to 2019) and long term (to 2026) periods.
- 3.21 It states that there is no short term quantitative need for new comparison retail floorspace but there is a medium term need for up to 7,644sq.m (82,282sq.ft) of new floorspace by 2019 but this would be satisfied through recent completions and extant permissions. However, there is an unmet long term demand for between 18,559sq.m (199,774sq.ft) and 30,932sq.m (332,960sq.ft) of new floorspace by 2026.
- 3.22 However, the NRA does not take into account qualitative considerations. In terms of qualitative need we understand that a number of national retailers

already occupy units which are smaller than their typical store size owing to a lack of available floorspace. When considered in conjunction with the challenging economic and retail landscape this is perceived as a threat to the continued vitality and viability of the town centre with retailers seeking to dispose of underperforming stores which are inconsistent with their trading formats. More over those retailers with sub optimal stores could retrench to large centres, where they can continue to service the catchment population which could lead to an accelerated decline of the town centre<sup>25</sup>. The DTZ economic impact assessment also concluded that there was a qualitative need to improve the quality and range of the comparison goods sector and that in the absence of any new development there is a risk that the already established leakage of consumer expenditure to the surrounding areas of Huddersfield, Bradford and Leeds would be accelerated.

### Anecdotal Evidence

- 3.23 DTZ was appointed in 2013 to market the Councils Northgate House and secure a sale. The marketing campaign emphasised the sites town centre location, adjacent to the retail core and the Woolshops together with its development potential for town centre uses. To complement the marketing process DTZ contacted a range of potential occupiers to ascertain the potential scale of occupier demand. A summary of this feedback is provided below:

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<sup>25</sup> DTZ Economic Impact Assessment – Northgate House and the Central Library and Archive Facility (July 2012)

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- **Primark** considered Halifax as a 'marginal location' and their main concern was cannibalisation from their other stores<sup>26</sup>. In this context they confirmed that it would need to be an attractive deal.
  - **Argos** has two stores in Halifax with their Horton Street premises potentially being impacted by Royal London's plans (see later). They pay around £24,000 per annum for a 697sq.m (7,500sq.ft) store and advised that the CapEx required to open a new store would be in the order of £750,000.
  - **TK Maxx** were previously regarded as a potential occupier of 1,858sq.m (20,000sq.ft) but this opportunity no longer seems possible, as their existing store at Greenmount Retail Park only has a tenant break, which is exercisable with 6 months' notice, expiring in September 2014. In this regard the option to break their current lease has passed. The date of expiry of their current lease is not known.
  - **H Samuel** confirmed they would relocate from their existing store on Crown Street where they have a long leasehold (virtual freehold) interest on the proviso that a disposal of their existing store was part of the deal.
  - **Poundworld** confirmed, in principal, that they would be interested in a minimum ground floor area of 465sq.m (5,000sq.ft) with ancillary space of 232sq.m (2,500sq.ft).
  - **JD/Bank** occupies a small store in town but they hold a lease with an expiry date which is several years away. They required a 'deal' and exit from their existing store.
  - **Debenhams** confirmed they were not interested in Halifax.
  - **Next** advised they were satisfied with their existing representation and had no requirement for a second store.
  - **H&M** did not confirm their interest but they were known to be acquisitive and are not represented in Halifax. Their typical requirements are for

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<sup>26</sup> Primark's nearest stores are in Huddersfield (former C&A on New Street), Bradford (former Littlewoods in Kirkgate) and their new store at Trinity Leeds.

between 1,486 and 1,858sq.m (16,000 and 20,000sq.ft) and based on an incentivised turnover lease.

*“In summary the strength of occupier demand was not overwhelming to the extent it would encourage developers to take a view on occupier interest at the expected handover date. The market feedback also indicated that retailers will almost certainly be reluctant to commit to acquiring new space more than two years in advance of the expected handover”.*

3.24 Developer interest was also explored in the lead up to the bid deadline. A summary of the feedback is provided below albeit it should be appreciated that this may now be out of date, as the exercise was undertaken in October 2013 and the market has improved since then.

- Caddick plc withdrew their interest prior to the bid deadline due to the weakness of the occupier demand and poor feasibility.
- Commercial Development Projects Ltd thought the land price would be negligible so never submitted an offer.
- CTP had limited resources and could not commit to another scheme. In addition they cited occupier demand as being weak.
- Henry Boot plc expressed concerns about the timescales for handover to retailers and the lack of and depth of occupier demand.
- Kier withdrew their interest as they were pursuing an office led scheme based on a known requirement which subsequently went elsewhere.
- Muse didn't feel as if they had the retail experience to compete with other potential bidders who would be retail specialists.

- Oakgate did not believe there was sufficient occupier demand to provide a viable land value.
- St James Securities were concerned that a scheme anchored by Primark would not generate a meaningful, if any, land value.

3.25 At the bid deadline only three developers responded – Caddick, Henry Boot and St James Securities. They all stated the opportunity was of interest but they could not generate a positive land value. Lack of demand, weak interest from Primark (perceived as the anchor tenant), the cost of demolition etc. were all cited as factors that were inhibiting the feasibility of a retail scheme on this site.

3.26 Henry Boot and St James Securities were encouraged to come forward with their plans, appraisals and occupier feedback. The scheme put forward by Henry Boot comprised 9,290sq.m (100,000sq.ft) with an anchor store for Primark of 5,806sq.m (62,500sq.ft) plus two adjacent shop units that were notionally let to H&M and Sports Direct. The rental values ranged from £80.73psm (£7.50psf) to £150psm (£14psf) with investment yields of between 6.5% and 7.75%. Their appraisal suggested that the construction cost would be in the region of £861psm (£80psf), which produced a negative land value of around **-£1.7m**.

3.27 The scheme put forward by St James Securities (SJS) comprised around 7,571sq.m (81,500sq.ft) with an anchor store of 4,180sq.m (45,000sq.ft) and 4 other shop units of various sizes. The tenant line-up included Primark, as anchor, TK Maxx 1,858sq.m (20,000sq.ft), Iceland 650sq.m (7,000sq.ft), Sainsbury's 399sq.m (4,300sq.ft) and JD Sports 465sq.m (5,000sq.ft). The rents ranged between £96psm (£9psf) and £161psm (£15psf) with investment yields ranging between 6.25% and 7.5%. The construction costs were based on £807psm (£75psf) which generated a negative land value of **-£160,000**, excluding developer's profit.

3.28 The key messages coming from both developers were lack of demand – with the loss of Primark as a potential anchor tenant this is expected to be further compounded – and the handover date to retailers (open for trade) was too far off. Both developers suggested that the Council sell the site on the basis that it has been cleared of existing buildings and remediated ready for the start of construction. We consider the feasibility of this approach later.

3.29 We have also sought the opinions of a number of local developers / agents to ascertain their views on the retail (non-food) markets. A record of our discussions are included at Appendix 2 but a summary of the main findings are set out below:

- Halifax punches below its weight in terms of multiple retailers and in particular there is a lack of department stores.
- For a town of its size it should have more multiples but the physical nature of the buildings in the town centre is not suitable for modern retailer requirements. In particular concerns were raised over the size of units and retailers not being able to get the size of unit they want.
- Poundworld are rumoured to have a requirement for Halifax but they can't find the right site / building.
- There was an argument that the town benefits from the lack of multiples in that the town has many local / independent traders.
- Northgate House was seen as the ideal site for further retail development.
- There is occupier demand but the 'economics' don't work – particular issues with rents.
- There is a belief that the scale of the opportunity presented through Northgate House is too big for the market but the optimum size was not quantified.
- General consensus that for retail to work rents would need to be around £161psm (£15psf) and a sub 7% yield.

## Supply / Availability

3.30 Accordingly to FOCUS Research there is approximately 12,253sq.m (131,890sq.ft) of vacant retail accommodation currently available within Halifax town centre (refer to figure 2 for the extent of the search area), which is split between leasehold and freehold floorpace, as summarised in Tables 8 and 9<sup>27</sup>.

Table 8 – Leasehold Supply

Size Bands Sq.m/sq.ft	No. properties	Total Sales Area Sq.m / sq.ft	Average Sales Area Sq.m / sq.ft
<93sq.m (1,000sq.ft)	9	372 / 4,005	41 / 445
93 to 186sq.m (1001 to 2000sq.ft)	9	1,031 / 11,096	115 / 1,233
186 to 465sq.g (2,001 to 5,000sq.ft)	3	711 / 7,658	237 / 2,553
465 to 929sq.m (5,001 to 10,000sq.ft)	1	559 / 6,017	559 / 6,017
929 to 1,394sq.m (10,001 to 15,000sq.ft)	1	975 / 10,500	975 / 10,500
>1,394sq.m (15,000sq.ft)	-	-	-
<b>Totals</b>	<b>21</b>	<b>3,649 / 39,276</b>	<b>365 / 3,924</b>

- There are currently 21 vacant A1 retail units within the town centre. Just over 40% are sub 93sq.m (1,000sq.ft) with another 40% between 93sq.m and 186sq.m (1000sq.ft and 2000sq.ft). Within these bands the total floorspace is around 1,394sq.m (15,000sq.ft) which equates to just over 38% of the vacant space. The average unit size is 77sq.m (833sq.ft).
- There are three properties between 186sq.m and 465sq.m (2,001sq.ft and 5000sq.ft) which equates to around 15% of the overall supply. Within this

<sup>27</sup> Detailed schedules are provided at Appendix 1.

size band the total floorspace amounts to 711sq.m (7,658sq.ft) resulting in an average unit size of 237sq.m (2,553sq.ft). This size band accounts for circa 20% of the overall vacant space.

- Between 465sq.m and 929sq.m (5,001 and 10,000sq.ft) there is only one property currently available, which provides 558sq.m (6,017sq.ft) of accommodation. This accounts for 5% of the vacant properties and 15% of the overall space which is available.
- Similarly there is only one unit which is greater than 929sq.m (10,000sq.ft). This provides 975sq.m (10,500sq.ft) of accommodation and accounts for just over a quarter of the vacant space. However, it only accounts for 5% of the vacant properties.
- There are 7 units currently available in the Woolshops Shopping Centre which cumulatively account for 701sq.m (7,551sq.ft) of the vacant space. This constitutes circa 20% of the overall space available and almost a third of the total number of vacant units. The units range from 60sq.m (650sq.ft) up to 118sq.m (1,270sq.ft) with the average sized unit being 100sq.m (1,078sq.ft)

*“The current properties provide between a 2 and 3 year supply based on past take up rates”.*

Table 9 – Freehold Supply

Size Bands	No. properties	Total Sales Area Sq.m / sq.ft	Average Sales Area Sq.m / sq.ft
<93sq.m (1,000sq.ft)	3	116 / 1,201	37 / 400
93 to 186sq.m (1001 to 2000sq.ft)	4	587 / 6,315	147 / 1,579
186 to 465sq.g (2,001 to 5,000sq.ft)	5	1,379 / 14,844	276 / 2,969
465 to 929sq.m (5,001 to 10,000sq.ft)	-	-	-
929 to 1,394sq.m (10,001 to 15,000sq.ft)	-	-	-
>1,394sq.m (15,000sq.ft)	2	6,527 / 70,254	3,263 / 35,127

<b>Totals</b>	<b>14</b>	<b>8,604 / 92,614</b>	<b>615 / 6,615</b>
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- There is currently 8,604sq.m (92,614sq.ft) of vacant retail space available for sale. Three quarters of this supply provides more than 1,394sq.m (15,000sq.ft). However, this space is provided within 2 properties – one property is Millworks on Horton Street, which provides 1,839sq.m (19,800sq.ft) and the other is India Buildings, again on Horton Street, which accounts for 4,687sq.m (50,454sq.ft) of retail space.
- Just over a third of the vacant properties are within the 186sq.m to 465sq.m (2,001sq.ft to 5,000sq.ft) size band. In total these properties provide 1,379sq.m (14,844sq.ft) of accommodation. The average sales area of each property is 276sq.m (2,969sq.ft).
- Half of the properties are sub 186sq.m (2,000sq.ft), with the average property size being 100sq.m (1,074sq.ft). Despite this size band comprising the majority of the vacant units it only provides 8% of the overall available floorspace.
- The capital values range between £427psm (£40psf) and £3,055psm (£286psf). The average value is approximately £1,141psm (£106psf)

*“The current properties provide between a 7 and 30 year supply based on past take up rates”*

### Pipeline Supply

3.31 In December 2012 Outline Planning Permission was granted for the redevelopment of Pennine Shopping Centre and adjoining property and land for retail and A3/A4 uses (11/01132/OUT). The proposal comprises a total gross internal area of 11,441sq.m (123,150 sq.ft) made up of the following elements;

- 10,219sq.m (110,000 sq.ft) retail space of which 5,832 sq.m (63,000 sq.ft) at a level footplate with a mezzanine cover of 4,366 sq.m (47,000 sq.ft)
- 418 sq.m (4,500 sq.ft) complimentary restaurant use; and
- 803sq.m (8,650 sq.ft) associated circulatory space

3.32 In support of the retail accommodation a car park of approximately 500 spaces is proposed to be integrated over two levels set under the main retail level.

3.33 At the time of submission there was no occupier(s) fixed within the scheme. The applicant was involved in discussions with a number of potential occupiers and it was considered that a planning permission would offer comfort of deliverability to prospective tenants. While the proposals are suitable for convenience and comparison retailing and / or for single or multiple occupation the plans appear to have been tailored towards a supermarket operator and we understand that Tesco were the original tenants but have subsequently withdrawn from the scheme in line with the companies reduced programme of store openings. We understand (anecdotally) that the owners are currently seeking to dispose of the site.

3.34 The Piece Hall is currently undergoing an £18.9m transformational project which will see it turned into a popular visitor attraction boasting quality shops, cafes and restaurants, creative businesses and an events programme. A new heritage interpretation centre and visitor orientation centre will also be created but the centre piece / focal point of the scheme will be the upgrading of the courtyard to a new town square. There will be a variety of different sized retail and business units available but these will mainly cater for the independent / local traders rather than the national multiples.

## Competition

3.35 Overall, Halifax town centre faces above average competition from competing centres and ranks 178 out of the 200 PROMIS centres on the PMA Competition Indicator (a rank closest to 1 reflects a low level of competition). In particular the town faces strong competition from other neighbouring centres, including:

- [Trinity Shopping Centre, Leeds](#) is the city's newest and biggest shopping and leisure destination with over 120 shops, cafes, bars and restaurants extending to more than 92,900sq.m (1,000,000sq.ft).
- [Victoria Gate, Leeds](#) is a mixed use scheme of circa 110,000sq.m (1,185,000sq.ft). The first phase comprising 30 retail units and a John Lewis department store and providing up to 37,160sq.m (400,000sq.ft) is currently on site. Completion is expected in late 2016.
- [Broadway, Bradford](#) is now on site and when completed will add 52,950sq.m (570,000sq.ft) of new retail and leisure space to the City Centre. In addition to Debenhams, M&S and Next, more than 70 shops, restaurants and cafes will bring together a mix of high street fashion, food and lifestyle brands. The scheme is expected to be completed by the end of 2015. It should be noted that the 2009 Retail Needs Assessment identified a 10.9% inflow of expenditure from Bradford and this is likely to be threatened with the opening of the Broadway development.
- [Kingsgate, Huddersfield](#) comprises a new 11,148sq.m (120,000sq.ft) extension to the existing Kingsgate Shopping Centre. It was anticipated that the scheme would start on site this year and be completed by 2016. However, the scheme has yet to commence.

3.36 The extent of the leakage of consumer expenditure is set out in the Retail Needs Assessment which identified that only 58% of retail spend (across all retail categories<sup>28</sup>) is retained within Calderdale. The proposed strengthening of these centres through a strong pipeline of retail led development is a further threat and will require Halifax to improve its retail offer simply to sustain its current retention level and position in the retail hierarchy. These developments will provide the larger floor plates commensurate with modern retailer requirements. In the absence of new development in Halifax there is a significant risk that the rate of leakage to these centres will increase and that retailers with stores inconsistent with their requirements could retrench to these larger centres, where they can continue to service the catchment population.

### Viability

3.37 As outlined previously Henry Boot and SJS have both put forward their plans, appraisals and occupier feedback for Northgate House which resulted in negative land values of around **-£1.7m and - £160,000<sup>29</sup>** respectively. However it should be noted that the figure quoted by SJS (**-£160,000**) is slightly misleading as this excludes developers profit, which would substantially increase the viability gap. The key messages coming from both developers were lack of demand and the handover date to retailers (open for trade) was too far off.

3.38 Both developers also suggested that the Council sell the site on the basis that it has been cleared of existing buildings and remediated ready for the start of

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<sup>28</sup> Clothing and footwear, Books, CD's etc., Household, Toys, Games etc., Chemist, Electrical, Furniture and DIY

<sup>29</sup> Excluding developers profit

construction. We have considered the feasibility of this approach and set out our findings below.

Table 10 – Appraisal 3 (Non-Food Retail – Unencumbered Site)

Project Value	A. Anchor Tenant (1 unit of 45,000sq.ft) @ £9.50psf	£427,500
	B. Multi Tenanted (5 units total of £37,500sq.ft) @ £12.50psf	£375,000 <sup>30</sup>
	C. Anchor Tenant Investment Yield 7%	YP = 14.2857
	D. Multi Tenanted Investment Yield 9.5%	YP = 10.5263
	E. Anchor Value (A x C)	£6,107,143
	F. Multi Tenanted Value (B x D)	£3,947,368
	<b>G. Gross Development Value</b>	<b>£10,054,511</b>
	H. Purchasers Costs at 5.80%	-£583,162
	<b>I Net Development Value (G – H)</b>	<b>£9,471,350</b>
Development Costs	J. Town planning	£100,000
	K. Survey	£250,000
	L. Construction Costs at £80psf <sup>31</sup>	£6,600,000
	M. Contingency @ 5%	£330,000
	N. Professional Fees @ 10%	£660,000
	O. Marketing	£50,000
	P. Letting agents fees @ 10% of ERV	£80,250
	Q. Letting legal fees @ 5% of ERV	£40,125
	R. Sales agent fee @ 1% of Net Development Value	£94,713
	S. Sales legal fee @ 0.5% of Net Development Value	£47,357
	T. Finance at 6.5%	£367,690
	<b>U. Total Development Costs (TDC)</b>	<b>£8,620,135</b>
	<b>V. Developers profit @ 20% of TDC</b>	<b>£1,724,027</b>

<sup>30</sup> The gross rent would be £468,750 but we have assumed a 20% running void.

<sup>31</sup> Based on a total scheme of 7,664sq.m (82,500sq.ft)

	Gross Residual Land Value (I - (U+V))	<b>-£872,812</b>
	Purchasers Costs	-
	<b>Net Land Value</b>	<b>-£872,812</b>

3.39 Appraisal 3 demonstrates that even when assuming a cleared / unencumbered site retail development is likely to be unfeasible at the current point in time. This is not surprising and is supported by the anecdotal evidence from local agents and developers in which they suggest that a scheme will only be feasible if it is based on rents of around £161psm (£15psf) and prime yields of sub 7%.

### Conclusions and Interventions

3.40 There is no short or medium term quantitative need for new comparison retail floorspace but there is an unmet long term demand for between 18,559sq.m (199,774sq.ft) and 30,932sq.m (332,960sq.ft) of new floorspace by 2026.

3.41 Despite there being no short or medium term quantitative need for new retail space there is an immediate / short term qualitative need to improve the retail offer to address the deficiencies in the range and quality of the comparison goods sector in Halifax town centre. In particular there is a clear lack of larger floor plates that are required to attract the national multiple retailers. We understand that a number of national retailers already occupy units which are smaller than their typical store size owing to a lack of available floorspace. When considered in conjunction with the challenging economic and retail landscape this is perceived as a threat to the continued vitality and viability of the town centre with retailers likely to dispose of underperforming stores which are inconsistent with their trading formats. More over those retailers occupying sub optimal stores could retrench to large centres, where they can continue to service the catchment population.

- 3.42 In the absence of these stores there is the continued risk that expenditure will be lost to competing centres such as Leeds, Bradford and Huddersfield, further accelerating the decline of the town centre, as closures will reduce footfall further weakening the high street and leading to more closures/vacancies. The net impact is a spiralling decline in the town centre.
- 3.43 If Halifax is to compete with these centres, or at least retain its existing position it will need to diversify and improve its retail offer. This means larger units that are commensurate with modern retailer requirements.
- 3.44 However, there may be a downside in that this may increase 'churn' within the town centre as those retailers in sub optimal stores choose to relocate to the new space on offer. This has recently been witnessed in Leeds with the opening of Trinity, which saw next and urban outfitters vacating their existing premises to open new flag ship stores. Next has retained their previous store and are currently operating a sales outlet but it is believed this is only a temporary measure until the lease on their old store expires. The store previously occupied by Urban Outfitters has now been occupied by JOY, who relocated from 'The Light' in Leeds.
- 3.45 However, with all new retail schemes there will inevitably be a period of churn but this should settle down with time, as retailers will ultimately seek to satisfy their optimum store requirements whether this is in new space or through vacancies created in the high street.
- 3.46 In satisfying these needs / requirements the Council's preference is for new retail development to be accommodated in Halifax town centre.

- 3.47 The most logical location for new retail development is Northgate House and its immediate surroundings which include the bus station and post office sorting depot. This area is relatively flat, in few ownerships and spatially the site is the most appropriate location for the development of non-food retail. This will also add to the critical mass of retail development in this location and the site provides a logical expansion of the retail core (being adjacent to the Woolshops). The development of this site will also enable better linkages between the Broad Gate Plaza Leisure Development and the town centre.
- 3.48 This area is more than capable of accommodating the long term quantitative need but will need to be brought forward in phases. The obvious first phase of development would be the site of Northgate House.
- 3.49 However, as discussed elsewhere in this document and notwithstanding the aspirational nature of the overall masterplan for the town centre, in commercial terms, we continue to have concerns about the viability of a non-food retail redevelopment of the site in spite of the Council recently securing funds to demolish the building. We consider our appraisal inputs in respect of rents and yields are prudent given current market conditions and this produces a negative land value of around **-£875,000<sup>32</sup>**, even with the demolition cost removed from the appraisal.
- 3.50 In view of our concerns over viability of the Northgate House site we have discussed, with the Council, the approach to sale and redevelopment. This has been undertaken with input from the Council's agent for the disposal (DTZ) and their legal advisor (Squire Paton Boggs).
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<sup>32</sup> Refer to Appraisal 3a at Appendix 2.

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- 3.51 On the basis that DTZ believe the retail property market is showing signs of reasonable improvement, we have rerun the appraisals, 'hardening' the yields from 7% to 6% for the anchor tenant and from 9.5% to 8.5% for the remaining units. On this basis, the appraisal does produce a marginally positive land value of circa £250,000<sup>33</sup>, having made a reasonable allowance for developers profit at 20%. This indicates that a scheme would become viable in these improved market circumstances.
- 3.52 This exercise simply demonstrates just how sensitive development appraisals are to changes in key assumptions. Our work is essentially theoretical, based on our best estimate of the status of the market at the current point in time. However with a relatively small shift in investor sentiment, it is clear that the redevelopment of Northgate House for non-food retailing could become commercially viable.
- 3.53 The only way to test for sure whether the market deems that the scheme is viable is to run a marketing exercise to test if prospective purchasers can produce an acceptable profit and land receipt now that the cost of demolition would be removed from their development appraisals. Having discussed the concept with the Council and DTZ, we would favour re-marketing the site to those parties who showed previous interest in buying the site.
- 3.54 In the event that positive land values are generated the scheme could be brought forward on a wholly commercial developer-led basis. Without taking the site to the market again, the Council will not know for sure if stripping out
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<sup>33</sup> Refer to Appraisal 3b at Appendix 2.

the demolition costs from the appraisal will make the difference between a viable or non-viable scheme.

3.55 However, should a circumstance arise where a scheme is still not viable the Council's remaining options, in order to progress delivery, include:

- **Direct development:** The Council effectively acts as the developer, gaining planning permission, undertaking preparatory technical work, sourcing/securing tenants, appointing a main contractor and undertaking the development itself. The reason this may work is that the Council would not take a profit as a developer would (say of 20% of the total costs of the scheme) and therefore the viability gap will reduce substantially. In fact the scheme produces a positive land value of just over £1m. The Council would be able to sell the scheme to the investment market at a point in the future, at which point the intention would be to recoup the capital invested. This scenario would provide a positive land value of circa
- **Direct development with expert development manager:** As above, but the Council employs a developer to run the development process for a fixed return similar to a contractor's margin (say between 7.5% and 10%). This is different from a traditional developer approach in that the cost and risk of securing planning, tenants and funding still rests with the landowner (Council). The benefit of bringing in a developer to run the process is often perceived to be their expertise and experience in securing the scheme and securing occupier interest. Under this scenario the scheme would generate a land value of circa £720,000, assuming a profit of 7.5%.
- **Part direct development, part investor-led:** This idea was discussed when GVA met with the Council, DTZ and Squire Paton Boggs. In effect, the Council could begin the direct development process by securing planning and the anchor tenant, before taking this 'opportunity' to the funding markets for the scheme to be pre-purchased. The onus would then be on the incoming purchaser to develop out the scheme and secure further

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tenants/occupiers. This opportunity would need to be explored in greater detail to understand what an investor's appetite would be to funding a scheme in this way; in particular, what level of pre-let would be needed for an investor to buy into the scheme.

- **Use the Council's covenant strength to improve investment yields:** Otherwise known as a 'yield strip', essentially, this route would see the Council committing to a head-lease of between 15 and 25 years (25 years being the preferred term from investors) that would effectively guarantee the rental income to a purchaser. This could bring the investment yield to a sub 5% position, making the scheme profitable to a developer and delivering a good land value. This model is currently very attractive to pension funds and we would expect interest from these organisations to deliver the scheme directly as well as them being in the market for developers to feed into. The disadvantage of this option is that by guaranteeing the income, the Council would be liable to pay rental charges in the event units become vacant over the course of the term.

3.56 GVA considers that if the initial marketing exercise can be carried out in early 2015 (say a launch in February 2015), with a request for offers to be submitted in early April 2015, the Council will have a clear picture, thereafter, of whether the redevelopment of the site is viable or not. If viability is proven, the scheme can be brought forward in the short-term as the first phase of development. If the responses to the marketing exercise indicate that the redevelopment is still not commercially viable, then the Council will be well placed to consider other routes which, in one way or another, will require direct intervention from the Council.

3.57 Clearly there are associated risks attached to any form of direct development or underwriting and it will be for the Council to decide whether this is a route it wishes to pursue.

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## 4. Convenience Retail

### Overview

- 4.1 The grocery sector operates on a national basis (excluding London) and has proved to be one of the most active sectors during the economic and property market downturn. Broadly speaking, development and investment activity has remained strong and rental values and yields have remained stable. The 'big 4' grocers (ASDA, Morrison's, Sainsbury's and Tesco) have a collective market share of approximately 75% and operate in all of the major formats of convenience<sup>34</sup>, supermarket, superstore and hypermarkets<sup>35</sup>.
- 4.2 Grocers have pursued an almost cannibalistic approach to increasing their market share, and therefore company profits, by infilling their geographic coverage. Grocers are increasingly looking to smaller format stores to achieve geographic infilling. A movement towards smaller format stores, such as little Waitrose, Morrisons Local and the more established Sainsbury's Local and Tesco Express, links in with an increasing trend for shoppers to 'top up' their grocery supplies on a more regular basis and reduce the number of 'big shops' undertaken.
- 4.3 Indeed the floorspace race has eased off considerably with Tesco and then Sainsbury's reducing their new store opening programmes and a move more
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<sup>34</sup> Typical stores with a net trading area of less than 280sq.m (3,000sq.ft) open for long hours (including Sundays) and selling products from at least 8 different grocery categories

<sup>35</sup> Supermarkets generally have a sales area of 280 to 2,325sq.m (3,000 to 25,000sq.ft). The PPS4 glossary of supermarkets included stores up to 2,500sq.m (26,910sq.ft) and superstores were stores above 2,500sq.m (26,910sq.ft). Although superseded by the NPPF, which no longer includes definitions, it does still use the 2,500sq.m (26,910sq.ft) size category as the impact test threshold, and therefore, this distinction is implicit. Hypermarkets are over 5,575sq.m (60,000sq.ft). All sell a broad range of mainly grocery items, non-food is also available.

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towards more traditional convenience formats. The store size reduction is the result of a shift in buyer behaviour with more consumers now purchasing 'bulky goods' on the internet rather than in store. Furthermore, announcements by Tesco that it was reducing its development pipeline and decreasing the size of its new stores may lead to a greater degree of caution being applied by developers and investors, which may in turn impact on appraisal inputs.

- 4.4 Meanwhile, other alternatives to big stores such as Aldi and Lidl, are expanding as their 'no-frills' offerings gain popularity among more affluent consumers. However, in a radical move that underlines the scale of the challenge facing Britain's established big grocers, Sainsbury's has teamed up with Denmark's biggest retailer, Dansk Supermarket, to build a new Netto business. Starting in the north of England fifteen stores are planned by the end of next year in a bid to challenge the fast growing Aldi and Lidl<sup>36</sup>.
- 4.5 For Netto, the Sainsbury's deal represents a return to the British high street. The business traded in the UK until 2010, when Dansk sold its 200 outlets to ASDA, which used them to open small, in-town stores. The Sainsbury's and Dansk Supermarket partnership will combine Netto's low-cost operations with Sainsbury's knowledge of UK products and property. The new stores will be different from the old format, selling more products and being bigger at about 1,000sq.m (11,000sq.ft) compared with 750sq.m (8,000sq.ft) before. If the first batch of new stores trade well, the plan is to open stores across the country.
- 4.6 Whilst the size of new supermarkets is shrinking, reflecting the changing dynamics of the market, the big supermarket chains are still prepared to take / develop larger format space in the right location. Partly this is because

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<sup>36</sup> Discounters are expected to see their share of the grocery market double to about 15% in the next five years as a result.

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operator profit margins are often higher at traditional-format stores than from convenience stores and online home deliveries. But it is also due to the fact that the physical stores form a large part of the online platform – both as a point from which goods are delivered to the home and also as ‘click-and-collect’ sites from which online orders are collected by customers. Large car parks and prominent locations make food stores natural click-and-collect destinations. In addition, where retailers do not have representation in existing stores, special click-and-collect points are emerging.

- 4.7 The changing shape of the supermarket sector may also create further opportunities for investors, such as ‘dark stores’. In effect these are stores without customers from which online grocery orders are fulfilled. Dark stores should have many of the same characteristics as traditional food stores: long leases, let to companies with strong balance sheets and a high land value at the end of their life.
- 4.8 In terms of rental values these are subject to location and catchment demand factors. Typically larger format stores (supermarkets, superstores and hypermarkets) achieve rental values in the region of £172psm to £205psm (£16psf - £19psf). Rental values for smaller format stores (convenience – budget) are typically between £129psm (£12psf) and £161psm (£15psf).
- 4.9 Larger format stores typically achieve investment yields of between 4.5% and 5.5%, whereas smaller format stores typically range between 5.5% and 7.5%. The yields achieved will be dependent on the catchment and the format of the store (thus impacting on its ability to trade effectively), the covenant strength and length of the lease.
- 4.10 Incentives in the food sector are often structured in a complex manner and may form an integral part of the shops construction / fit out. Rent free allowances may be in the order of 12 months.

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## Demand

- 4.11 There is already a good level of food store representation in Halifax including a Sainsbury's, a Tesco Metro, M&S Food Hall and the Borough Market. Sainsbury's have recently invested in their Wade Street premises by extending their existing store and car parking provision.
- 4.12 As outlined previously it is believed that Tesco were the targeted tenants for the redeveloped Pennine Shopping Centre but have subsequently withdrawn from the scheme in line with the companies reduced programme of store openings. We understand that the site is now being (unofficially) marketed for sale.
- 4.13 In terms of capacity the Retail Needs Assessment (update 2014) has identified a potential unmet need for between 2,013sq.m and 4,821sq.m (21,668sq.ft and 51,895sq.ft) in 2014 rising to between 2,476sq.m and 5,927sq.m (26,652sq.ft and 63,800sq.ft) in 2019 and 3,408sq.m to 8,161sq.m (36,685sq.ft and 87,847sq.ft) in 2026.
- 4.14 The Councils preference is for new retail space to be accommodated and supported in Halifax Town Centre, where possible complementing existing offer in the town

## Viability

- 4.15 To help understand the feasibility of development in the town centre we have undertaken a number of development appraisals based on the following scenarios.
- Appraisal 5 – a typical 2,787sq.m (30,000sq.ft) supermarket ; and
  - Appraisal 6 – a typical discount food store of circa 1,486sq.m (16,000sq.ft)

4.16 In both scenarios we have assumed the development would take place on an unencumbered site. Our development appraisals are included at Appendix 2 but summarised in Tables 11 and 12.

Table 11 – Appraisal 5 (Supermarket Appraisal)

Project Value	A. Estimated Rental Value (ERV)- £169psm (£15.5psf)	£465,000
	B. YP based on a yield of 5%	20
	C. Investment Value (A x B)	£9,300,000
	D. Purchasers Costs at 5.8%	-£534,750
	<b>E. Net Development Value (C – D)</b>	<b>£8,765,250</b>
Development Costs	F. Town planning	£20,000
	G. Survey	£20,000
	H. Construction Costs at £980psm (£91psf <sup>37</sup> )	£2,730,000
	I. Contingency @ 5%	£136,500
	J. Professional Fees @ 10%	£273,000
	K. Marketing	-
	L. Letting agents fees @ 10% of ERV	£46,500
	M. Letting legal fees @ 5% of ERV	£23,250
	N. Sales agent fee @ 1% of Net Development Value	£87,653
	O. Sales legal fee @ 0.5% of Net Development Value	£43,826
	P. Finance at 6.5%	£396,589
	<b>Q. Total Development Costs (TDC + Land)</b>	<b>£3,777,318</b>
	<b>R. Developers profit @ 20% of TDC</b>	<b>£1,460,875</b>
	Gross Residual Land Value (G - (S+T))	£3,343,182
	Purchasers Costs	£183,875
<b>Net Land Value</b>	<b>£3,159,307<sup>38</sup></b>	

<sup>37</sup> Based on a gross developable area of 2,787sq.m (30,000sq.ft)

<sup>38</sup> Land value equates to circa £2,065,333 per ha (£835,795 per acre).

Table 12 – Appraisal 6 (Budget Retailer)

Project Value	A. Estimated Rental Value (ERV)- £145psm (£13.5psf)	£216,000
	B. YP based on a yield of 5.5%	18.1818
	C. Investment Value (A x B)	£3,927,273
	D. Purchasers Costs at 5.8%	-£225,818
	<b>E. Net Development Value (C - D)</b>	<b>£3,701,455</b>
Development Costs	F. Town planning	£20,000
	G. Survey	£20,000
	H. Construction Costs at £980psm (£91psf <sup>39</sup> )	£1,456,000
	I. Contingency @ 5%	£72,800
	J. Professional Fees @ 10%	£145,600
	K. Marketing	-
	L. Letting agents fees @ 10% of ERV	£21,600
	M. Letting legal fees @ 5% of ERV	£10,800
	N. Sales agent fee @ 1% of Net Development Value	£37,015
	O. Sales legal fee @ 0.5% of Net Development Value	£18,507
	P. Finance at 6.5%	£147,440
	<b>Q. Total Development Costs (TDC)</b>	<b>£1,949,762</b>
	<b>R. Developers profit @ 20% of TDC and Land)</b>	<b>£616,909</b>
	Gross Residual Land Value (G - (S+T))	£1,140,161
	Purchasers Costs	£64,537
<b>Net Land Value</b>	<b>£1,075,624<sup>40</sup></b>	

4.17 As expected both forms of convenience retail generate positive land values and are suitable uses for consideration in the town centre masterplan.

<sup>39</sup> Based on a gross developable area of 1,486sq.m (16,000sq.ft)

<sup>40</sup> Land value equates to circa £1,766,835 per ha (£715,000 per acre)

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## Conclusions and Interventions

- 4.18 The Calderdale Retail Needs Assessment 2009 (Update January 2014) identifies that there is a potential unmet need for between 2,013sq.m and 4,821sq.m (21,668sq.ft and 51,895sq.ft) of new convenience floorspace in 2014 rising to between 2,476sq.m and 5,927sq.m (26,652sq.ft and 63,800sq.ft) in 2019 and 3,408sq.m to 8,161sq.m (36,685sq.ft and 87,847sq.ft) in 2026.
- 4.19 However, the floorspace race has eased off considerably with Tesco and then Sainsbury's reducing their new store opening programmes and a move more towards more traditional convenience formats. As outlined previously it is believed that Tesco were the targeted tenants for the redeveloped Pennine Shopping Centre but have subsequently withdrawn from the scheme in line with the companies reduced programme of store openings. There is, consequently, no perceived demand for large format convenience retail in the town centre.
- 4.20 However, there may be demand for small forms of convenience retail and in particular budget operators. Typically such operators require sites of circa 0.6ha (1.5 acres).
- 4.21 The most logical sites to accommodate such development (excluding the conversion of town centre premises) will be the sites on the edge of the town centre, such as Cripplegate. We are aware that one of the discount operators has already expressed an interest in this site.
- 4.22 However, there are a number of constraints that are currently preventing this site from being brought forward for development. In particular there are a series of legal issues associated with existing lease arrangements with Lloyds occupation of the Council's part of this site and the regularisation of the agreement, which links into the Cow Green Car Park. These issues will need to be resolved before this site can be brought forward,

- 4.23 In addition the site is also likely to be contaminated owing to the sites previous uses. In March 2009 Scott Wilson prepared a combined Phase I and II Geo Technical Site Investigation and Assessment, which identified a range of probable contaminants. The study also recommended a preliminary remediation strategy to deliver soils to a clean-up target suitable for mixed end use of the site. The total remediation costs were estimated at £950,000.
- 4.24 As outlined previously our appraisal for a budget retailer was undertaken on the assumption of an unencumbered site. If we include the costs of remediation at £950,000 the land value falls from £1,075,624 (see appraisal 6) down to £186,299<sup>41</sup>. This is a marginal land value at best and would suggest that the development of the Cripplegate site, for a discount food store, would be unfeasible.
- 4.25 We are aware that an offer of £565,000 has been made for the site based on a discount food store and family pub but this excludes any costs of remediation.
- 4.26 The Council could facilitate the re-development of the Cripplegate site and others like it through business rate retention and this is consider in further detail at Section 7.
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<sup>41</sup> Refer to Appraisal 6a at Appendix 2.

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## 5. Leisure

- 5.1 The Councils Town Centres Report – Qualitative Assessments (April 2012) identified that most of the main centres within Calderdale (including Halifax) were lacking in their cultural, leisure and tourism offer. However, it was accepted that the opening of Broad Street Plaza (see below) would significantly address the leisure deficiencies in Halifax. Anecdotal evidence also suggests that this scheme has satisfied the majority, if not all, of the latent demand. Despite this we believe there will still be demand from small / local traders.
- 5.2 Broad Street Plaza is a mixed-use and leisure scheme offering 26,000sq.m (280,000sq.ft) of mixed use space. Phase one occupiers include Vue Cinema, Pure Gym, Nando's, TGI Friday's, Frankie & Bennys, Beefeater, The Chinese Buffet, Chimichanga, Wetherspoons, Harvester and Pizza Express. The development also incorporates a 100 bed Premier Inn hotel, a 429 space car park let to Apcoa and a large NHS drop-in centre. There are only two units currently remaining.
- 5.3 Phase 2 comprises the construction of circa 9,700sq.m (41,500sq.ft) of new Grade A office space but this is unlikely to be developed due to a lack of demand (see Section 2).
- 5.4 The developer (the Gregory Group) is looking to sell the development in the autumn and will be seeking to achieve a sub 6% yield.

### Hotels

- 5.5 In comparison to other sectors the hotel market is considered to be at a reasonably mature stage after a decade of significant expansion. This period saw a major drive to full service hotel companies becoming 'asset tight/asset

right' through the divestment of their property interests to investors but retention of, primarily, management contracts to continue operating their hotels.

- 5.6 The management contract approach also played a strong role in driving growth in the full service hotel sector by supporting the creation of new hotels by developers. The limited service sector, dominated by Premier Inn and Travelodge, also expanded extensively over the past ten years but these companies focussed more on the leasing model which better suited the requirements of institutional investors.
- 5.7 A management contract is an agreement between a hotel owner and hotel management company under which, for a fee, the management company operates the hotel. In a management agreement, the chain basically provides the same services as a franchise agreement, such as brand, reservation system etc., but on top of this, there is an agency agreement, meaning the brand operates the hotel, making all the day-to-day decisions on behalf of the owner. While input from the owner is welcome, interference in the day to day running of the operation is not permitted otherwise it is no longer a management agreement. At the beginning of each financial year, a budget is prepared and presented to the owner. It presents the projected revenue and operating costs, and once the cost structure is established, the manager must stick to the budget. The gross operating profit and net profit of the hotel belong to the owner, less a fee for the operator.
- 5.8 In a lease agreement the hotel group basically rents a building and runs the entire operation and they simply pay rent every year. Lease agreements are not particularly popular among big operators, because they are quite risky and costly. Ownership and leasing are an "asset heavy" way to develop. It is often the most profitable, but at the same time, the riskiest model. The reason it is not so popular is that hotel companies cannot develop a large number of properties with lease agreements otherwise the balance sheet becomes too

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heavy and inhibits the ability to maximise gearing. In the last financial crisis, companies that were heavily leveraged with leases and ownership were almost on the edge of bankruptcy, because they had huge losses, and had to keep paying the rent. As an operating company, most groups attempt to have a balanced portfolio with the right amount of lease agreements, the right amount of ownership and the right amount of management agreements.

- 5.9 Halifax has a range of national hotel chains including a Premier Inn and Travel Lodge. In addition there are also has a number of small scale local hoteliers. One such example is the Imperial Crown Hotel and Hughes House (a 41 bed hotel). This property is currently on the market for sale.
- 5.10 In terms of further development there are a number of factors that will drive interest and the viable delivery of hotel investment in Halifax. Development will depend on whether or not developer / operator criteria can be met, but more importantly the overall strength and growth prospects of the local hotel market. The key performance indicators relate to occupancy and in particular the Average Daily Room Rate (ADR) and Revenue Per Available Room (RevPAR). These are the key performance metrics which underpin viability and performance in the hotel sector. If these are weak the demand for further development will also be weak.
- 5.11 We have no information relating to these indicators and, therefore, are unable to quantify if there is any demand / capacity for further hotel development in the town centre. This said we are aware that the Council has recently received interest in the Cow Green Car Park for a new hotel but at the current point in time details are limited and of a confidential nature. In addition Eureka, as part of their masterplan, is also proposing to develop a new 'family hotel'. As outlined previously the Imperial Crown Hotel and Hughes House are currently for sale and the outcome of this disposal may

provide a useful 'barometer' of the state of the hotel market in Halifax town centre.

5.12 Despite this perceived demand these schemes may not actually be delivered. A key area 'holding' up developments at the current point in time is the lack of bank finance – there are only a handful of schemes being developed in the UK which do not have an element of bank finance (London being the exception). For schemes to progress in Halifax the flow of development equity is an important factor. This financial 'log jam' is yet to be unlocked in the UK regional market which is reducing the number of delivered hotel schemes. This is likely to continue to be the case over the short term.

5.13 Within this context hotels are currently not considered to be a major component of the town centre masterplan. However, such uses are considered to be an important town centre use and will help underpin the vitality and viability of the town centre. It is likely that over the life of the plan new development proposals will come forward (such as those at Cow Green and Eureka) and wherever possible these should be supported by the Council.

5.14 Some of the other main town attractions are set out below.

#### Eureka

5.15 Is a National Children's Museum that inspires children to find out about themselves and the world around them through a range of hands on exhibits. Eureka has been working to create a masterplan setting out how the site could develop which supports the future strategic vision for Halifax.

5.16 The plans open up the museums site to improve the physical connections with the town, the station and Piece Hall thereby enabling the 250,000 visitors to enjoy the numerous attractions Halifax has to offer. There are also plans for a

new hotel and the reinstatement of the 1855 building into the main train station building for Halifax.

- 5.17 The town centre delivery plan should be respectful of Eureka's plans and work with the charity to help them achieve their long term aspirations, further strengthening the museums role as a regional attractor.
- 5.18 It should be noted that Eureka currently receives around £105,000 in revenue / income from the 1855 building and if this building is to be reinstated, as the main train station, they will require the loss of this income to be mitigated.
- 5.19 One option might be to allow Eureka to let and retain the income from the commercial / retail space associated with the new train station.

#### Halifax Swimming Pool and Leisure Centre

- 5.20 The two main sports assets in the town centre are Halifax Swimming Pool and North Bridge Leisure Centre, which operate from separate buildings. Neither facility offers the type of flexible, adaptable space that can accommodate a wide range of activities. Both properties also have severe maintenance liabilities and the future of these facilities has been the subject of discussion for a number of years.
  - 5.21 Halifax Swimming Pool is now in a poor condition and requires investment or replacement.. The swimming pool no longer meets the needs of modern leisure requirements, has a dated interior and exterior and is in need of major refurbishment to the pool tank, exterior building fabric and has an extensive general maintenance backlog.
  - 5.22 North Bridge Leisure Centre is located on the perimeter of Halifax town centre and is the largest leisure centre in Calderdale and is owned and managed by CMBC.
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5.23 In summary, to maintain the two existing facilities as they are on their current sites, undertaking essential maintenance at Halifax Pool (before general refurbishment / updating) and making NBLC fit for purpose will require an investment of around £12m. The cost to build a new combined facility is estimated at £12.6m. In this context the Council believe there is value in considering the sale of at least the Halifax Swimming Pool site and building a combined swimming pool / sports hall facility rather than investing a similar level of investment into the current separate facilities that would then need additional investment in upgrading facilities offered and continue running inefficiently with duplicate plant etc.

5.24 The possible options for a new combined facility include:

- NBLC (option A) renovate / rebuild NBLC to include a pool in the area currently occupied by the football pitches
- NBLC (option B) demolish existing facility and build a completely new combined facility
- Cow Green Multi Storey Car Park – demolish disused multi storey car park and rebuild on existing and adjacent site
- Mulcture Hall Road – develop part of a large site (part of gas holder site)
- The Shay – explore opportunities to build on land adjacent to the Shay building the leisure centre into one of the stands at the ground.

5.25 A further option might include the Council selling their existing North Bridge Leisure Centre site<sup>42</sup> and relocating the new combined facility onto the adjacent Dews car showroom site. We are aware that Dews Motor Group has expressed an interest in relocating to the Cripplegate site. The sale receipts

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<sup>42</sup>This site might be suitable for a budget food store - in fact the location of this site, adjacent to the existing Sainsbury's store, might make this a particularly attractive site for a new Netto.

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from the North Bridge site could then be recycled and used to help facilitate the new sports facility, whether funding in part or in full the site acquisition or the capital costs of the new scheme.

5.26 At the moment the Council are only considering a direct replacement of the swimming pool and have not given any thought to 'fun' in terms of water slides etc. By incorporating an element of play into the new facility this has the potential to increase its appeal and attract more visitors thus directly benefiting the town centre in terms of increased footfall, which will further enhancing the vitality and viability of the town centre.

5.27 We understand that the funding model for a new combined facility would be based around:

- Prudential borrowing
- Capital receipts<sup>43</sup>
- Sport England capital grant funding
- Public health funding

5.28 The Council are in the process of commissioning an Outline Business Plan which will seek to revisit Capita Symonds' 2009 report, with one key variation that alternative sites could be available and may be suitable for a combined leisure facility. As part of this brief we recommend that sites identified through the town centre masterplan, in particular the Dews Motor Group site, be considered.

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<sup>43</sup> The Halifax Swimming Pool site was valued in 2011 at £800k. The site covers c. 1.468 acres and (based on Archibus figures) was valued in 2011 at £700k / acre. The Council would need to demolish the swimming pool at a cost of c£227k, leading to the net value of £800k. The council may also, subject to the eventual preferred site, utilise any sale receipts from the sale of the North Bridge site.

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## Piece Hall

- 8.29 The Piece Hall has been called 'one of the 40 greatest public squares in the world'. It is currently undergoing a £19m restoration project, which will sympathetically repair and conserve this unique building in keeping with its Grade I listing, as well as ensuring that the building meets the demands of the 21<sup>st</sup> Century. A three storey extension will also be constructed at the south eastern corner of the building, adjoin the Square Church spire site and Square Chapel.
- 8.30 When completed the Piece Hall will have been transformed into a major visitor attractor / destination. The restored building will provide a mix of commercial; spaces and retail and leisure opportunities. It is anticipated that the modern workspaces will appeal to creative businesses and new conference facilities will provide a unique venue for events and meetings.

## Conclusions and Interventions

- 5.31 Broad Street Plaza is perceived to have captured most of the mainstream requirements from the multiple operators (restaurant and pub uses) albeit there may still be demand from small local / independent operators. There may also be scope / demand from operators as part of a wider retail led mixed use scheme, focussed around Northgate House but this is unlikely to be prevalent until the later stages of the plan.
- 5.32 Eureka provides a significant draw for visitors from outside of Calderdale and the museums masterplan aspirations will continue to see this facility act as a major attractor in the longer term. The town centre delivery plan should seek to support these proposals.
- 5.33 There is an immediate requirement for a new swimming pool and the Council are currently exploring options as to where this could be located within the

town centre. The feasibility of town centre sites should be considered as part of the Outline Business Plan which is to be commissioned shortly.

- 5.34 In particular the Council should consider the sale of the North Bridge site and using the sale receipts to help facilitate a new combined facility within closer proximity to the town centre. One option might be the Dew Motor Group site if they can be relocated onto Cripplegate or another site.

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## 6. Residential

- 6.1 Whilst a number of conversion schemes have been completed in the town centre there remains a significant amount of disused or underused floorspace over many shops and business premises.
- 6.2 The Council's objective of bringing empty or underused property back into use is underpinned by Housing Service's Empty Properties Strategy. Such space is often no longer required in connection with the use of the ground floor and could, if brought back into use, provide a valuable source of residential accommodation. This would add to the housing stock in the Borough as well as providing a range of other benefits, such as bringing life back into town centre and reducing crime, thereby making the town centre safer and more attractive.
- 6.3 Other benefits include generating environmental improvements and enhancing the conservation of the built environment.
- 6.5 Anecdotally there is a perceived demand for high quality accommodation / apartments targeted specifically towards the employees at Lloyds and Dean Clough. We are also aware that Countrywide have previously expressed an interest in acquiring the Cripplegate site for residential development but we believe this was pre-recession and don't know whether this interest is still live.
- 6.6 The average property prices and rental values in the town centre (based on the HX1 postcode sector) are set out in Tables 13 and 14 respectively.

Table 13 - Average Property Prices – HX1

Property Type	Average Current Value	Avg. £per sq.ft	Average # beds	Average price last 12 months
Detached	£258,817	£169	4.1	£223,676
Semi Detached	£151,438	£141	3.6	£155,172
Terraced	£81,654	£118	3.0	£80,501
Flats	£121,031	£167	1.8	£138,192

Table 14 - Current Asking Rents

Property Type	1 bed	2 beds	3 bed	4 bed
Houses	£371pcm	£418pcm	£496pcm	£550pcm
Flats	£405pcm	£463pcm	£459pcm	-
All	£397pcm	£440pcm	£494pcm	£550pcm

6.7 To help understand the feasibility of residential development in the town centre we have undertaken a number of development appraisals based on the following scenarios.

- [Appraisal 7](#): A 50 unit housing scheme; and
- [Appraisal 8](#): A 30 unit apartment scheme

6.8 In both scenarios we have assumed the development would take place on an unencumbered site.

6.9 Our appraisals are provided at Appendix 2 but summarised in Tables 15 and 16.

Table 15 – Appraisal 7 (50 unit Housing Scheme)

Project Value	A. Estimated Sales Revenue - Private <sup>44</sup> @ £170psf	£6,800,000
	B. Estimated Sales Revenue – Affordable <sup>45</sup> @ £85psf	£850,000
	<b>C. Total Sales (A + B)</b>	<b>£7,650,000</b>
Development Costs	D. Town planning	£20,000
	E. Survey	£20,000
	F. Construction Costs at £915psm (£85psf <sup>46</sup> )	£4,250,000
	G. Contingency @ 5%	£212,500
	H. Professional Fees @ 10%	£425,000
	I. Marketing/Sales and Legal Fees @ 3% of Total Sales	£229,500
	J. Finance at 6.5%	£337,278
	<b>Q. Total Development Costs (TDC)</b>	<b>£5,494,278</b>
	<b>R. Developers profit @ 20% of TDC and Land)</b>	<b>£1,275,001</b>
	Gross Residual Land Value (G - (S+T))	£880,721
	Purchasers Costs	£65,238
<b>Net Land Value</b>	<b>£815,483</b>	

- 6.10 Assuming an unencumbered site traditional housing would generate a typical land value of around £494,220 per ha (£200,000 per acre), assuming a 1.62ha (4 acre) site. However, the most logical site for new residential development (excluding refurbishments) is Cripplegate and we know this site is contaminated with initial estimates of remediation at £950,000<sup>47</sup>. When these costs are factored into the appraisal the scheme generates a negative land value of **-£67,081**<sup>48</sup>.

<sup>44</sup> 40 units based on an average unit size of 93sq.m (1,000sq.ft) per dwelling

<sup>45</sup> 10 units based on an average unit size of 93sq.m (1,000sq.ft) per dwelling

<sup>46</sup> Based on a gross developable area of 4,645sq.m (50,000sq.ft)

<sup>47</sup> This level of remediation would deliver soils to a clean-up target suitable for mixed end use of the site.

<sup>48</sup> Refer to Appraisal 7a at Appendix 2.

Table 16 – Appraisal 8 (Apartment Scheme)

Project Value	A. Estimated Sales Revenue - Private	£2,652,000
	B. Estimated Sales Revenue – Affordable	£331,500
	<b>C. Total Sales (A + B)</b>	
Development Costs	D. Town planning	£20,000
	E. Survey	£20,000
	F. Construction Costs at £1,130psm (£105psf <sup>49</sup> )	£2,047,500
	G. Contingency @ 5%	£102,375
	H. Professional Fees @ 10%	£204,750
	I. Marketing/Sales and Legal Fees @ 3% of Total Sales	£89,505
	J. Finance at 6.5%	£118,249
	<b>Q. Total Development Costs (TDC)</b>	<b>£2,602,379</b>
	<b>R. Developers profit @ 20% of TDC and Land)</b>	<b>£520,476</b>
	Gross Residual Land Value (G - (S+T))	<b>-£139,355</b>
	Purchasers Costs	-
<b>Net Land Value</b>	<b>-£139,355</b>	

## Conclusions and Interventions

- 6.11 Residential is a key piece of the jigsaw in terms of underpinning the vitality and viability of Halifax town centre. However, in order to encourage town centre living the centre will need to provide prospective residents with key infrastructure. This could take the form of social facilities such as doctors, dentists and healthcare facilities but also an improved retail and leisure offer. Residents will not be drawn to the town or encouraged to stay if their quality of life experiences is poor. Another factor which may be impeding town

<sup>49</sup> Based on a gross developable area of 1,812sq.m 19,500sq.ft) – 30 units at 30sq.,m (650sq.ft)

centre living is the relative proximity of affordable housing on the periphery / edge of the town centre.

- 6.12 In view of this factors the masterplan should focus on the reuse of vacant space above the shops. The Council can help facilitate this process by putting in place mechanisms to encourage the re-use and conversion of existing buildings / vacant space within the town centre. For example the Council could put in place a Local Development Order (LDO) to encourage the conversion of vacant properties to residential use. However, the Council may want to limit any conversion of ground floor retail units to ensure active street / shop fronts.
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## 7. Alternative Sectors

7.1 Within the previous sections we focussed on the traditional property investment markets but there are other sectors outside of the traditional retail, office leisure and residential sectors that provide a valuable source of investment opportunities.

7.2 Within this section of the report we examine some of these alternative sectors and the role they can play in the Halifax town centre masterplan.

### Automotive

7.3 The automotive and roadside industry collectively covers three main property types, car dealerships, petrol stations and motorway service areas. For the purpose of this assessment we have focused on car dealerships.

7.4 The motor retail industry operates in a franchising model with vehicle manufacturers (VM's) seldom involved in the business of car retailing and servicing. Despite this some manufacturers have utilised their blue chip covenants through head-lease and under-lease arrangements to recoup their considerable capital investment in land and buildings, creating attractive, high value investment products.

7.5 Over the last decade the sectors property network has experienced widespread reorganisation and consolidation. The UK's car dealership market is undoubtedly the most sophisticated and mature in Europe, characterised by an extensive network of modern, expansive and bespoke facilities. Covenants within the marketplace include the international VM's, but also a broad spectrum of dealer groups, from regional operators, to major plcs with turnover in excess of £1 billion.

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- 7.6 The sector is characterised by long institutionally acceptable leases incorporating inflation – linked of fixed, upward rent reviews.
- 7.7 In terms of the motor retail business itself, the number of cars on the UK's roads has more than doubled over the last 40 years and manufacturers' product ranges have increased steadily in response to this extra capacity, with car showrooms expanding as a consequence. In general this has involved migration of facilities from town centres to peripheries as planning has been secured for quasi – retail (sui generis) operations often by promoting the sectors high employment characteristics.
- 7.8 The most important property considerations for an occupier when taking / looking for new premises include:
- Location – determined by factors such as prominence, visibility, arterial route, retail provision and proximity to other franchises with a similar target market.
  - Lease terms – many retailers are committed to sale and leasebacks to provide better quality premises. Given the cost of acquiring and developing new sites, which has to be done in accordance with the corporate identity of the manufacturer, retailers are generally prepared to commit to 20 year plus leases. VW Group has recently announced that it will not be taking new leases, but may guarantee a dealer partners occupational lease, serving the same purpose of optimising investment value.
  - Manufacturer – corporate identity remains a vital consideration. Dealerships are not built speculatively. Input towards design and layout is important, particularly 'future proofing' properties for extension.
  - Building – there are no specific ratios for built area to external space, but most dealerships are land hungry, as external vehicle display, parking and ability to extend are essential. The majority of dealerships will be 929sq.m
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(10,000sq.ft) to 2,787sq.m (30,000sq.ft) and sites are typically 0.40ha (1acre) to 1ha (2.5 acres).

- 7.9 Due to the maturity of the sector, growth is likely to come from group merger and acquisition rather than development of competing dealerships. This should see further incidences of the top 10 groups buying up smaller businesses. Small but sound operators will become acquisition targets and investors in this area of the market could stand to benefit from covenant windfalls in the coming years.
- 7.10 We are aware that Dews Motor Group is seeking to consolidate their existing showrooms in Halifax onto one site. They would like enough land for a three to four car franchise / dealership and see Cripplegate as their ideal / only option.
- 7.11 Their biggest challenge is funding and they would rather own / purchase the site and develop it themselves rather than occupy on a lease. The relocation of Dews relies on them being able to sell their existing site for a sufficient value to enable them to reinvest back into the new development on Cripplegate. They have not disclosed their 'asking price' but it is believed to be substantially more than the current market value.
- 7.12 If the funding issues could be resolved Cripplegate would be an ideal location for such a use. These uses could be more appropriate given the sites contaminated status as large areas of contaminated land could be encapsulated beneath the areas of hard standing. The relocation of Dews would also then free up their existing site for redevelopment. In particular this site could be a suitable alternative for the proposed new swimming pool (refer to Section 5).

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## Education

- 7.13 The Council has advised that there is a strong evidence base to support the need for high tech skills support for manufacturing, engineering and associated technologies for business.
- 7.14 The emerging thinking is to address this skills and training gap by providing a facility, linked to both Huddersfield University and Calderdale College. The centre would be located in Calderdale but would be closely affiliated with the 3M BIC Centre. There is strong political support for taking this project forward, but further work needs to be done to develop the concept, the business model and identify funding for the capital and revenue costs.
- 7.15 The main physical requirement for this new facility is that it must be accommodated within the town centre, be highly visible and have vibrant surroundings as well as being able to accommodate the specific requirements of the specialised facility. Options that have been considered include:
- [Nestles – a vacant building \(G Mill\) has been offered](#)
  - [Dean Clough](#)
  - [Pennine Shopping Centre](#)
  - [Eureka Car Park](#)
  - [Elland Gannex Mill](#)
- 7.16 The new Calderdale Skills Exchange will be a significant generator of footfall and for this reason we support a town centre location for this development. In this context the obvious sites are Pennine Shopping Centre and Eureka. However, as outlined previous Eureka already have an established masterplan and whilst they would undoubtedly work with the Council to facilitate a new facility on their car park land the loss of parking would be an issue for the museum and alternative parking would need to be provided.
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- 7.17 Whilst there are proposals to redevelop the Pennine Shopping Centre, as set out earlier, we believe this scheme was designed around a new food store for Tesco who have subsequently scaled back their programme of store openings. In light of this we understand that the owners, Royal London Assessment Management (RLAM), are currently seeking to dispose of this site.
- 7.18 The new Calderdale Skills Exchange will be a significant generator of footfall and for this reason we support a town centre location for this development. In this context the obvious sites are Pennine Shopping Centre and Eureka!. However, as outlined previously Eureka! already have an established masterplan and whilst they would undoubtedly work with the Council to facilitate a new facility on their car park land the loss of parking would be an issue for the museum and alternative parking would need to be provided.
- 7.19 Whilst there are proposals to redevelop the Pennine Shopping Centre, as set out earlier, we believe this scheme was designed around a new food store for Tesco who have subsequently scaled back their programme of store openings. In light of this we understand that the owners, Royal London Asset Management (RLAM), are currently seeking to dispose of the site.
- 7.20 This would be an ideal site for the new Skills Exchange subject to a sale being agreed with RLAM. It is a relatively large site predominantly in single ownership; it is close to major public transport facilities (i.e. Halifax Train Station and possible co location of a new bus terminus at the station) and it will generate significant footfall, which will benefit the town centre economy.
- 7.21 We are not aware of the disposal price or if this site will be formally marketed or subject to an 'off market' deal. In view of the fact that the Skills Exchange is only in the very early / initial feasibility stages it is not recommended that the Council purchase this site.
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## 8. Delivery Mechanisms

- 8.1 Funding / enabling development and regeneration are two of the biggest challenges facing Local Authorities post-recession. The vacuum caused by reduced central government funding and the lack of liquidity in the private sector funding markets have led to a need for local authorities to examine alternative and more innovative ways of enabling and delivering infrastructure and development / regeneration to fulfil their growth and place shaping aspirations.
- 8.2 We have already outlined some solutions in the previous sections but have set out below further options that could be explored by the Council to help facilitate the redevelopment of the town centre.

### **Business Improvement Districts (BIDS)**

- 8.3 A Business Improvement District (BID) is a business led and business funded scheme to improve a defined commercial area, such as a town centre or industrial estate through additional services or new initiatives. Government legislation enabling the formation of BIDs, was introduced into England and Wales in 2003, empowering businesses to 'raise funds locally to be spent locally' on improving their trading environment.
- 8.4 BIDs are funded through a nominal levy calculated on the rateable value of all businesses within a defined area. Although the percentage can be set higher or lower, most BIDs apply 1% or 2% levies and exempt very small ratepayers. BIDs may also choose to exclude certain businesses (i.e. Charities or specific business sectors) from paying the levy and in such circumstances they will not be permitted to vote.
- 8.5 Whilst the majority of income will come from the private sector, non-domestic rate-payers from the public and voluntary sector will also contribute towards

the BID (unless they are exempt). The extra income from this levy can then be used to lever in more funding; for example from public sector agencies, grant bodies, sponsorship, landowners and trading income during the 5 year scheme, maximising the potential funding stream and the benefits that the BID can achieve.

- 8.6 The process of developing a BID involves extensive consultation with businesses to establish what improvements they want and may be prepared to pay for. A BID Proposal is then produced and a 28 day postal ballot held where businesses vote 'for' or 'against' the proposed programme.
- 8.7 For the BID to go ahead, two conditions must be met; firstly, a majority of those voting have to vote 'yes' and secondly those 'yes' votes have to represent more than 50% of the total rateable value of all votes cast. There is no minimum turnout threshold. If these conditions are fulfilled, payment of the levy becomes mandatory for all businesses regardless of how they voted. So, a BID will only be established if the majority of businesses, by number and rateable value, want it.
- 8.8 The average size of a BID is 300-400 hereditaments, with some of the smallest having fewer than 50 hereditaments and the largest at 2,500. Annual income is typically £200,000-£600,000 but can be less than £50,000 per annum or over £2 million
- 8.9 BIDs are generally viewed by many businesses as a fair and affordable way of creating a ring fenced fund for up to 5 years that is 'managed by business for business.'
- 8.10 Typical BID activities may include:
- **Basic area improvements** – Street furniture, tree planting, minor public realm upgrades, temporary decoration and Christmas lighting.
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- **Cleanliness** – Additional street cleaning, on-demand cleaning services or extra waste collection for business.
- **Safety and security** – Additional policing; private security; CCTV and business radio networks; signage and lighting improvements; local security partnerships; Pubwatch or night-time safety schemes.
- **Area marketing** – Branding or creating a coherent identity for an area; producing promotional material; running promotional campaigns; local discount schemes; ambassadors or information kiosks.
- **Events and Attractions** – Promoting or helping organise festivals, events, public art, markets or other attractions.
- **Business support and services** – Business support and advice; business training; networking events; business intelligence; business discounts, i.e. through bulk purchasing agreements.
- **Community engagement and CSR** – Supporting business CSR programs, engaging with resident and community groups, offering work placements and apprenticeships.
- **Environmental sustainability** – Recycling and waste collection; support and advice to business on sustainability, such as energy auditing.
- **Regeneration** – Leading master planning or area visioning; funding, attracting funding or lobbying for public realm upgrades and other regeneration projects.

8.11 A 'clean and green' agenda of basic area improvements, cleanliness, safety and security, and marketing and promotion are more often than not the 'bread-and-butter' activity of most BIDs. However, most BIDs also include at least some of the other activities listed above.

8.12 Small to medium-sized Town Centre BIDs include these core activities but often with an expanded focus on marketing and promotion. Larger Town Centre BIDs may have a much wider focus, including funding or co-ordinating significant capital projects, setting area strategy, and providing a wide range of business support services.

8.13 BID activities may vary further based on the business strengths or profile of their areas. For example, major town centre areas with a large number of commercial levy-payers as well as retail outlets may develop a focus on areas such as business support and collective purchasing. Areas with strong leisure and night-time economies may create BID proposals tailored to support these sectors.

### BID documents

- The BID Proposal or Business Plan sets out businesses' priorities for improvements for the area and area services, as well as how the BID will be managed and operated.
- This document becomes legally binding once a ballot has been won and becomes the framework within which the BID will operate.
- An Operating Agreement is entered into between a BID and their local authority governing how the BID levy monies are collected and administered and passed over to the BID. The BID levy is collected by the local authority into a ring-fenced account (called the BID Revenue Account) and passed to the BID Company for use on the projects and services set out in the BID proposal.
- The BID Proposal or Business Plan sets out businesses' priorities for improvements for the area and area services, as well as how the BID will be managed and operated.
- This document becomes legally binding once a ballot has been won and becomes the framework within which the BID will operate.
- An Operating Agreement is entered into between a BID and their local authority governing how the BID levy monies are collected and administered and passed over to the BID.
- BIDs enter into baseline agreements with the local authority and other service providers which guarantee the level of service provision in the area. These ensure that any services the BID provides are truly additional.

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## Governance and Management

- The vast majority of BIDs are not-for-profit companies limited by guarantee.
- BIDs set out how they will be governed in their BID Proposal and Company Articles of Association.
- Most BIDs are governed by a board made up of BID levy payers representing the BID area.
- The size of BID management teams vary with the size, focus and budget of each BID but will generally encompass management and administration, business communications, and operations.

## Tax Increment Financing

- 8.14 There are two options for the implementation of TIF. Both options are based upon borrowing against business rates income, and are linked to the Business Rates Retention Scheme<sup>50</sup>.
- 8.15 Under the scheme Councils can keep up to 50% of growth in their business rate receipts, arising from tax base growth, which may arise from new or expanding businesses, above their baseline funding level in 2013-14. This will be subject to a levy on authorities with larger business rates tax bases. The system will be 'reset' – i.e. a new baseline will be set in 2020, to ensure that the disparity between high-growth and low-growth authorities does not grow too large

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<sup>50</sup> The government introduced the business rates retention scheme in April 2013 under the Local Government Finance Act 2012

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- 8.16 Under the first TIF option, the Council would be able borrow (using traditional Prudential Borrowing Route – see later) against their income within the Business Rate Retention Scheme. By way of an example the Council may decide to use prudential borrowings to remediate the Cripplegate site and repay this through the additional Business Rates as a result of development on this site.
- 8.17 Under the second option, Council would be able to borrow against the business rates revenue in specifically defined geographical areas in which they would retain 100% of the growth in revenue – which would not be subject to the levy or reset for a defined period of time. This option has largely been limited to designated Enterprise Zones and, therefore, seems inappropriate in the context of the Halifax town centre masterplan.
- 8.18 On a similar vein, as outlined previously, the Council could look to introduce a town centre Growth Zone similar to Bradford. The City Centre Growth Zone is part of a £35m initiative funded by Bradford Council and the Government's Regional Growth Fund. Eligible businesses can receive rate rebates if they demonstrate that they are creating new jobs in Bradford city centre. Successful applicants could receive a business rate rebate of up to £16,000 for each new full time equivalent job created per year, to a maximum of the total business rates payable for three years. In addition businesses that bring disused space back into permanent commercial use as a result of creating new jobs will also be able to access a one off rebate to cover any increased rates bills from the new space.

### **Prudential Borrowing and Lending Money**

- 8.19 There is an opportunity for the Council, who will be able to obtain cheap funding from government (prudential borrowing) and their A-rated covenant, to provide equity, debt, mezzanine finance to projects on commercial terms. An example is the Homes and Communities Agency (HCA), Get Britain Building scheme which provided residential developers with debt, equity and mezzanine finance to commence residential development.

8.20 Property development projects that require financial restructuring generally fall into one of four categories:

1. The income from sales/letting will be insufficient to meet the development costs or provide a profit to the developer, resulting in a financially unviable development. This is primarily due to a fall in sales values or over-payment for land. (Essentially the scheme requires Gap Funding and there is little prospect of the finance being repaid). In circumstances such as the only forms of finance are traditional sources of grant funding, such as ERDF. By way of example, the Council has recently secured ERDF funds to help unlock the Phase 2 infrastructure Works of the Sowerby Bridge Copley Valley Development Opportunity.
2. The development is financially viable however the banks have reduced the level of debt funding (loan to cost) to mitigate their risk. The developer is unable to provide additional equity funding due to funding constraints.
3. The development is financially viable however the developer no longer has any equity participation (either due to the impact on their finances or reduced land value). The developer therefore requires equity or mezzanine funding.
4. The exit route (sale/lease) is no longer considered financially secure to a bank either due to the strength of covenant provided by the purchaser or tenant or level of pre-sales.

8.21 In the categories two, three and four above, the Council or a public sector backed fund could assist in funding the development provided that the project is of significance to the local authority/fund (i.e. is part of the town regeneration, provides employment or is key to the Council). The Council could provide the following types of financial assistance subject to these being State Aid compliant. The Council has recently been awarded assisted area status, which offers greater levels of public support, including additional grants, enhanced capital allowances and business rates relief.

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- 8.22 Debt funding, either replacing a bank or providing junior/mezzanine debt, this form of funding is usually provided to higher risk projects where the Council would require primary security (a first covering charge over the land and development). This would typically apply in two above. Equity funding by way of a joint venture or mezzanine funding for projects that have a lower risk and there is an opportunity for the Council to make a profit and improve the town. This would typically apply in 3 above.
- 8.23 An example of public sector partners financing infrastructure through loans is evident at Kirkstall Forge in Leeds. Terms have been agreed between Leeds City Council, the Leeds City Region Enterprise Partnership (LEP), West Yorkshire Combined Authority and the site owners, GMV Twelve Limited, to deliver a new railway station, access road (including pedestrian bridge over the River Aire) car parking and new road Junction with the A65.
- 8.24 GMV Twelve is investing £5million in the design and construction of the station, which is facilitated through a loan from the LEP. In addition, the council will spend approximately £10m to construct the new access road, car parking and Junction works. The council's costs, together with the LEP's loan, will be repaid by GMV Twelve over a ten year period.

#### **Head Lease<sup>51</sup> / Income Strip**

- 8.25 This is essentially a traditional forward funding deal whereby typically an investor, such as a pension fund, in conjunction with a developer, delivers new accommodation. Upfront a Council, or other government body, commits to the development by agreeing to take, on practical completion being achieved, a long lease for usually between 35 and 45 years on a non-assignable basis. Rents are fixed and subject to annual increases linked to RPI,
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<sup>51</sup> Typically applies to point 4

often with a cap and collar arrangement. Importantly, at the expiry of the lease term, the council has an option to acquire the freehold (and thus the asset) for £1.

- 8.26 Liability for repair and the running of the accommodation rests with the council; hence the fund landlord just strips the income out of the asset. The issue for the Council is whether the value from the receipt less strip payments is more financially advantageous than if the Council were use their prudentially borrowing powers to fund the scheme.

### Local Asset Backed Vehicle (LABV)

- 8.27 A Local Asset Backed Vehicle (LABV) is a mid/long term joint venture equity partnership between a local authority (or a number of local authorities acting together and/or a local authority with other public sector bodies) and a private sector investment partner (not just a building or development contractor).
- 8.28 A LABV can also be set up as a public/public partnership procuring private sector expertise to compliment public sector expertise as and when required in order to deliver particular projects. There is no prescribed or standardised drafting for LABVs, no "one size fits all" model. A bespoke solution would need to created in order to ensure that the Councils outcomes are delivered in accordance with the needs and challenges of the local economy.
- 8.29 The Council alone, or possibly with other public sector partners (if their objectives and timescales are properly aligned) contribute land and or buildings. The investment partner contributes capacity to deliver skills, experience and funds to develop the projects.
- 8.30 Projects can include residential, operational public buildings (such as a Civic Centre), retail, community, office, and/or refurbished industrial and commercial property. The outcomes will be agreed between the local

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authority and investment partner through an agreed business plan, budget and project approval procedure.

8.31 The principal advantages of setting up a LABV include:

- Economic leadership – maximise financial returns, generate and sustain local jobs during construction and re-build local economies.
- Flexibility – LABVs can react to the market to allow proposals to be developed between the public bodies and investment partner to deliver optimum financial and regeneration outcomes.
- Investment partner revenue support – capacity and skills to deliver master plans, LDFs, and viability studies completed at no or minimal direct cost to the public purse i.e. forward fund!
- Significant procurement cost and time savings –procure "once" to deliver multiple sites over a mid/long term period. This delivers substantial cost and time savings for both the public and private sector.

### Direct Development

8.32 Development could be funded through existing capital budgets or prudential borrowing (see previous).

8.33 In this scenario the private sector would act as contractor and develop out the property or infrastructure to the Councils specific requirements. If the direct development is property related the Council or a third party/sector operator would then take on the responsibility for the operational management and marketing / letting of the development, upon completion, if not for their own occupation. We have already raised this as a potential option with respect to the delivery of retail development on the site of Northgate house.

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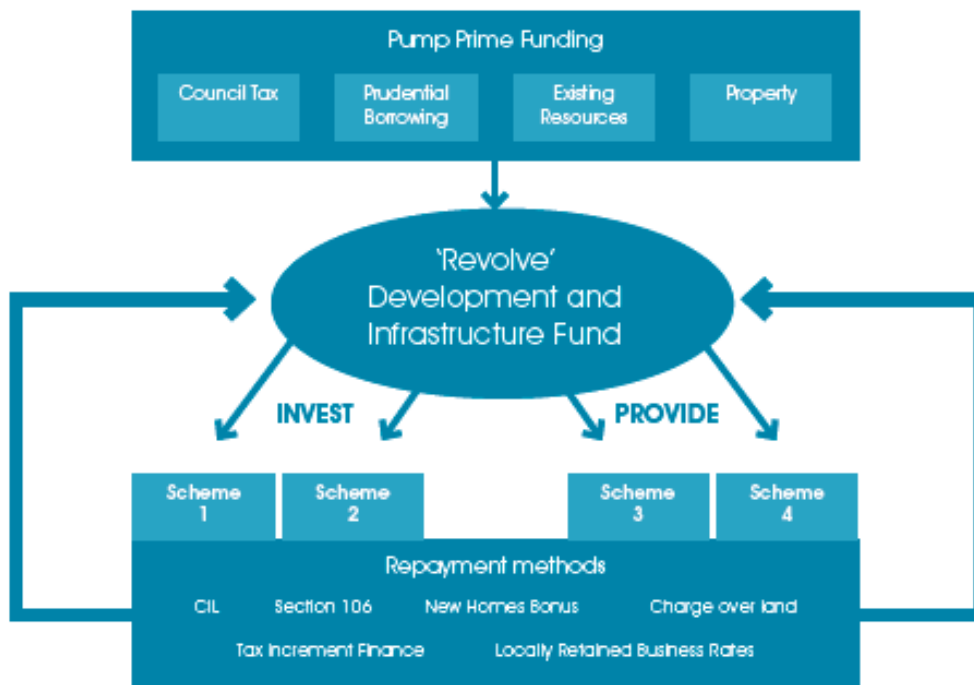
## Revolving Fund

- 8.34 Rather than adopting just one of these solutions the Council may wish to explore the feasibility of creating a revolving fund mechanism that utilises the strengths of the Councils powers and resources to enable money to be recycled for future projects.
- 8.35 Through a revolving fund the Council will be able to harness the potential of available funding sources and new income streams, including the Community Infrastructure Levy<sup>52</sup>, New Homes Bonus, localisation of Business Rates in combination with the existing borrowing powers and resources to unlock development in the town centre.
- 8.36 There are two principal alternatives.
1. The fund can be established as a ring fenced 'informal' fund that pools income streams and assets to invest in development and infrastructure provision. This has the advantage of saving the costs of developing a formal vehicle approach and in being flexible and easy to establish; or
  2. The fund can be established as a formal investment vehicle that ties together the Councils investment with those of other public and / or private partners in a formal, external vehicle to maximise resources and fully utilise the potential of matched private sector investment at a fund level.
- 8.37 The fund will enable the Council to take a proactive approach to investment in the delivery of infrastructure and development through a ring fenced fund. This can be through the delivery of infrastructure that directly enables the development of private sector and local authority assets or through directly funding development and regeneration.
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<sup>52</sup> The Council are currently exploring the feasibility of introducing a charge

- 8.38 This investment is then repaid from additionality in the Councils income streams, development contributions, profit and returns on Council assets. These returns are then reinvested to create a revolving fund to deliver further infrastructure and development.
- 8.39 The fund can also utilise European Investment Bank funding which will provide a low cost of funding to the Council for up to 50% of the development costs. It is also flexible allowing public and private sector investment from infrastructure funds, pension / life assurance funds and commercial banks.
- 8.40- The fund will be a long term solution (10 – 20 years) and will tie in with the timescales for the delivery of the town centre masterplan.
- 8.42 A diagram showing how the fund would work in principle is shown in Figure 2

Figure 2 – Revolving Fund



8.43 We are aware that a £10m revolving investment fund already exists at the City Region Level and has been created to address market failures in the provision of commercial loan finance. Its ultimate aim is to catalyse investment, accelerate economic growth and drive job creation in the Leeds City Region. In particular, the RIF will create an avenue for developers and business to work together with the public sector to drive investment in commercially viable projects, where conventional sources of finance are insufficient and/or unavailable.

8.44 The RIF will make investments (minimum of £1m) on commercial terms and compliant with State Aid restrictions, to meet the gaps where private finance cannot be obtained. It will not provide grant funding. However, we have already identified that a number of schemes will not generate a surplus for re-investment through the fund so this is unlikely to be a suitable mechanism, especially in the short term.

### Business Growth Programme

8.45 The Business Growth Programme provides grant funding to businesses based in Leeds City Region or planning to invest here. Grants of between £10,000 and £500,000 are available to create new jobs and business growth. Business Growth Programme can contribute towards:

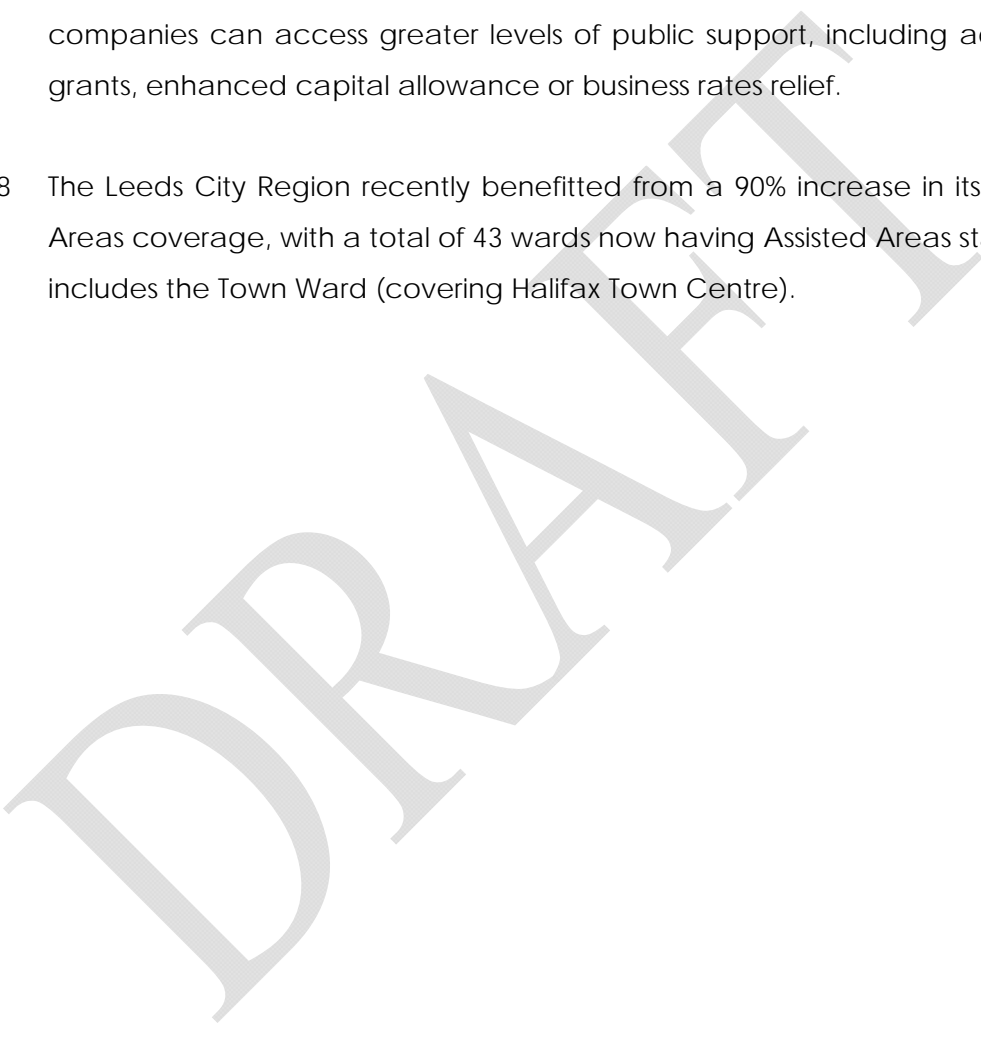
- Capital investment in land, buildings, plant, machinery and equipment.
- Research and development activity (except applied research) where this will support business and jobs growth.

8.46 To receive funding projects must:

- Create new permanent jobs in Leeds City Region.
- Have private finance available to invest alongside Business Growth Programme funding. For every £1 of Business Growth Programme funding sought at least £4 of private sector investment is needed.

- Be within Leeds City Region key growth sectors (health and life sciences, digital & creative, low carbon & environmental, advanced manufacturing, financial & business service).

### **Assisted Area Status**

- 8.47 Assisted Areas are specific parts of the country in which both SMEs and larger companies can access greater levels of public support, including additional grants, enhanced capital allowance or business rates relief.
- 8.48 The Leeds City Region recently benefitted from a 90% increase in its Assisted Areas coverage, with a total of 43 wards now having Assisted Areas status. This includes the Town Ward (covering Halifax Town Centre).
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# Appendices



## Appendix I

### Property Schedules

**Office (Freehold) Vacant / Available Space**

<b>Building Name</b>	<b>Postcode</b>	<b>No of Units Available</b>	<b>Floor Sq Ft</b>	<b>Sale Price</b>	<b>Sale Price Description</b>	<b>Grade</b>
One Broad Street Plaza	HX1 1YA	1	41,525	NQ	Not Quoting	New or Refurbished
	HX1 1LN	1	2,155	£150,000	£150,000 Guide Price	Second Hand
	HX1 2HX	1	2,930	£150,000	£150,000 Guide Price	Second Hand
	HX1 2HX	1	1,578	£245,000	£245,000 Guide Price	Second Hand
	HX1 5HW	1	1,543	£85,000	£85,000 Guide Price	Second Hand
Halifax Courier Building	HX1 2SH	1	22,737	NQ	Not Quoting	Second Hand
	HX1 5AE	1	2,583	£189,950	£189,950 Guide Price	Second Hand
Halifax Courier Press Hall	HX1 2SE	1	1,485	NQ	Not Quoting	Second Hand
Croftmyl	HX1 2EQ	1	39,320	NQ	Not Quoting	Second Hand

9 115,856

Office (Leasehold) Vacant / Available Properties

Building Name	Town	Postcode	Use	No of Units Available	Sq Ft Available	Tenure	Rent Sq Ft	Rent Sq M	Rent Description	Grade
Trinity House	Halifax	HX1 2QR	B1 Office/Business	3	3072	Leasehold	£8.68	£93.43	£8.68 (sqft) pa	Second Hand
One Broad Street	Halifax	HX1 1YA	B1 Office/Business	4	10381	Leasehold	£17.50	£188.36	£17.50 (sqft) pa	New or Refurbished
Focus House	Halifax	HX1 1HU	B1 Office/Business	1	1424	Leasehold	£7.72	£83.09	£7.72 (sqft) pa	Second Hand
	Halifax	HX1 2HX	B1 Office/Business	4	489	Leasehold	£6.13	£65.98	£6.13 (sqft) pa	Second Hand
	Halifax	HX1 1BE	B1 Office/Business	1	2400	Leasehold	£6.67	£71.79	£6.67 (sqft) pa	Second Hand
	Halifax	HX1 1TA	B1 Office/Business	2	642	Leasehold	£5.85	£62.97	£5.85 (sqft) pa	Second Hand
	Halifax	HX1 1TA	B1 Office/Business	1	2608	Leasehold	NQ	NQ	Not Quoting	Second Hand
Crown House	Halifax	HX1 1JB	B1 Office/Business	1	2818	Leasehold	£6.03	£64.91	£6.03 (sqft) pa	Second Hand
Fountain Chambers	Halifax	HX1 1LW	B1 Office/Business	6	417	Leasehold	£9.11	£98.02	£9.11 (sqft) pa	Second Hand
District Bank Chambers	Halifax	HX1 1HF	B1 Office/Business	1	2168	Leasehold	£8.07	£86.86	£8.07 (sqft) pa	Second Hand
District Bank Chambers	Halifax	HX1 1HF	B1 Office/Business	1	1063	Leasehold	£8.00	£86.11	£8.00 (sqft) pa	Second Hand
	Halifax	HX1 1HA	B1 Office/Business	1	2792	Leasehold	£5.00	£53.82	£5.00 (sqft) pa	Second Hand
	Halifax	HX1 2AF	B1 Office/Business	4	643	Leasehold	£5.05	£54.36	£5.05 (sqft) pa	Second Hand
The Elsie Whiteley	Halifax	HX1 5ER	B1 Office/Business	1	6010	Leasehold	£16.00	£172.21	£16.00 (sqft) pa	Second Hand
	Halifax	HX1 5AE	B1 Office/Business	1	836	Leasehold	£5.42	£58.34	£5.42 (sqft) pa	Second Hand
	Halifax	HX1 5AE	B1 Office/Business	1	836	Leasehold	£5.42	£58.34	£5.42 (sqft) pa	Second Hand
	Halifax	HX1 5AE	B1 Office/Business	1	897	Leasehold	£5.42	£58.34	£5.42 (sqft) pa	Second Hand
Empire House	Halifax	HX1 1SP	B1 Office/Business	4	1955	Leasehold	£11.44	£123.17	£11.44 (sqft) pa	Second Hand
	Halifax	HX1 1XF	B1 Office/Business	3	663	Leasehold	£6.51	£70.07	£6.51 (sqft) pa	Second Hand
	Halifax	HX1 1TN	B1 Office/Business	3	500	Leasehold	£5.00	£53.82	£5.00 (sqft) pa	Second Hand
Kingfisher House	Halifax	HX1 2QN	B1 Office/Business	1	102	Leasehold	£10.00	£107.63	£10.00 (sqft) pa	Second Hand
Kingfisher House	Halifax	HX1 2QN	B1 Office/Business	1	3289	Leasehold	£10.00	£107.63	£10.00 (sqft) pa	Second Hand
Kingfisher House	Halifax	HX1 2QN	B1 Office/Business	1	2880	Leasehold	£10.00	£107.63	£10.00 (sqft) pa	Second Hand
Gladstone House	Halifax	HX1 3NS	B1 Office/Business	1	1400	Leasehold	£2.23	£24.00	£2.23 (sqft) pa	Second Hand
	Halifax	HX1 4NJ	B1 Office/Business	1	3870	Leasehold	£1.74	£18.73	£1.74 (sqft) pa	Second Hand
Venture House	Halifax	HX1 1HS	B1 Office/Business	1	1199	Leasehold	£8.00	£86.11	£8.00 (sqft) pa	Second Hand
Venture House	Halifax	HX1 1HS	B1 Office/Business	1	1199	Leasehold	£8.00	£86.11	£8.00 (sqft) pa	Second Hand
Southgate House	Halifax	HX1 1DE	B1 Office/Business	7	3514	Leasehold	NQ	NQ	Not Quoting	Second Hand
	Halifax	HX1 1XX	B1 Office/Business	1	2400	Leasehold	£2.50	£26.91	£2.50 (sqft) pa	Second Hand
Croftmyl	Halifax	HX1 2EQ	B1 Office/Business	3	9830	Leasehold	£14.50	£156.07	£14.50 (sqft) pa	Refurbished

## Office (Leasehold) Deals

	Building	Street No.	Street	Town	Postcode	Grade	Size SqFt	Size SqM	Achieved Rent (£)	Rent Free Period (months)	Asking Rent (£ per Sq Ft)	Asking Rent (£ per Sq M)
2014	Century House		West Parade	Halifax	HX1 2TE	Second Hand	3,902	363	20,993	3	7.11	76.53
	Venture House	1 - 9	Silver Street	Halifax	HX1 1HS	Second Hand	1,148	107	6,991	12	6.09	65.55
		10	Clare Road	Halifax	HX1 2JD	Second Hand	864	80	Not disclosed	0	7.52	80.94
	Fountain Chambers		Fountain Street	Halifax	HX1 1LW	Second Hand	582	54	Not disclosed	0	6	64.58
	Fountain Chambers		Fountain Street	Halifax	HX1 1LW	Not disclosed	252	23	Not disclosed	0	Not Disclosed	Not Disclosed
	Fountain Chambers		Fountain Street	Halifax	HX1 1LW	Not disclosed	582	54	Not disclosed	0	Not Disclosed	Not Disclosed
	Horton House		Horton Street	Halifax	HX1 1PU	Not disclosed	16,354	1,519	Not disclosed	0	Not Disclosed	Not Disclosed
	Prospect House	18	Clare Road	Halifax	HX1 2HX	Second Hand	607	56	6,999	0	16.47	177.28
2013	Causey Hall		Dispensary Walk	Halifax	HX1 1QL	Not disclosed	415	39	2,000	0	8.43	90.74
		19 - 21	Clare Road	Halifax	HX1 2JA	Second Hand	227	21	Not disclosed	1	Not Disclosed	Not Disclosed
		3	Clare Road	Halifax	HX1 2HX	Second Hand	2,842	264	Not disclosed	0	7.57	81.48
2012		33-35	Harrison Road	Halifax	HX1 2AF	Second Hand	1,666	155	10,000	1	7.5	80.76
	Gladstone House	43 - 51	Queens Road	Halifax	HX1 3NS	Second Hand	2,360	219	5,263	0	2.23	24
	Westgate House		Market Street	Halifax	HX1 1PD	Second Hand	4,310	400	Not disclosed	0	7.5	80.73
	Westgate House		Market Street	Halifax	HX1 1PD	Second Hand	2,900	269	11,600	0	7.5	80.73
		39 - 47	Commercial Street	Halifax	HX1 1BE	Second Hand	1,347	125	8,000	0	5.94	63.93
		10	Bull Green	Halifax	HX1 5AB	Second Hand	705	65	Not disclosed	0	5	53.82
2011	St Johns House	2	St Johns Lane	Halifax	HX1 2JD	New or refurbished	3,700	344	9,990	0	7.35	79.12
		8 - 10	Carlton Street	Halifax	HX1 2AL	Second Hand	7,658	711	Not disclosed	0	Not Disclosed	Not Disclosed
	Crown House	60 - 39	Crown Street	Halifax	HX1 1JB	Second Hand	2,818	262	Not disclosed	0	5.32	Not Disclosed
2010		9	Clare Road	Halifax	HX1 2HX	Not disclosed	573	53	Not disclosed	0	15.88	170.94
	Berwick Mill		Square Road	Halifax	HX1 1QG	Second Hand	5,201	483	Not disclosed	0	4	Not Disclosed
	Halifax Industrial Estate		Marshway	Halifax	HX1 5RW	Not disclosed	1,452	135	7,725	0	Not Disclosed	Not Disclosed
2009		46	Prescott Street	Halifax	HX1 2QW	Second Hand	466	43	Not disclosed	0	Not Disclosed	Not Disclosed
		2 - 8	George Street	Halifax	HX1 1HA	Second Hand	2,792	259	13,960	0	5	Not Disclosed
		2 - 8	George Street	Halifax	HX1 1HA	Second Hand	2,178	202	10,890	0	5	53.82
	Crown House	60 - 39	Crown Street	Halifax	HX1 1JB	Second Hand	2,818	262	Not disclosed	0	5.32	Not Disclosed
		9	Clare Road	Halifax	HX1 2HX	Not disclosed	1,133	105	6,481	0	Not Disclosed	Not Disclosed
		46	Prescott Street	Halifax	HX1 2QW	Second Hand	678	63	4,651	0	6.86	Not Disclosed
		9	Clare Road	Halifax	HX1 2HX	Second Hand	1,062	99	Not disclosed	0	14.69	158.13
		14	Carlton Street	Halifax	HX1 2AL	New or Refurbished	1,266	118	Not disclosed	0	5.13	Not Disclosed
		25	Bull Green	Halifax	HX1 2RZ	Second Hand	1,610	150	14,007	Not disclosed	8.7	93.6
2008		39 - 47	Commercial Street	Halifax	HX1 1BE	Not disclosed	2,422	225	16,000	0	Not Disclosed	Not Disclosed
		9	Portland Place	Halifax	HX1 2JU	Second Hand	2,579	240	Not disclosed	Not disclosed	5.82	62.61
	Rimani House	14 - 16	Hall Street	Halifax	HX1 5BB	Second Hand	3,730	347	Not disclosed	Not disclosed	Not Disclosed	Not Disclosed
		17-19	Bull Green	Halifax	HX1 2RZ	Second Hand	837	78	Not disclosed	Not disclosed	Not Disclosed	Not Disclosed
		39	Harrison Road	Halifax	HX1 2AF	Second Hand	730	68	Not disclosed	Not disclosed	9.25	Not Disclosed
	Southgate House		Wards End	Halifax	HX1 1DE	Second Hand	1,353	126	Not disclosed	0	7.02	75.57
		14 - 20	Rawson Street	Halifax	HX1 1NH	Second Hand	471	44	Not disclosed	0	4.88	52.51
	Rimani House	14 - 16	Hall Street	Halifax	HX1 5BB	Second Hand	525	49	Not disclosed	Not disclosed	9.05	97.42
			Hanson Lane	Halifax	HX1 4SD	Second Hand	2,970	276	Not disclosed	Not disclosed	Not Disclosed	Not Disclosed
2006	Venture House	3	Silver Street	Halifax	HX1 1HS	Second Hand	783	73	Not disclosed	Not disclosed	7.66	Not Disclosed
		22	Cow Green	Halifax	HX1 1HX	Second Hand	538	50	Not disclosed	Not disclosed	Not Disclosed	Not Disclosed
	Hoover Building		West Parade	Halifax	HX1 2TE	Second Hand	8,732	811	Not disclosed	Not disclosed	Not Disclosed	Not Disclosed
	Crown House	60 - 39	Crown Street	Halifax	HX1 1JB	Second Hand	2,610	242	Not disclosed	Not disclosed	5.27	56.71
		7	Clare Road	Halifax	HX1 2HX	New or Refurbished	1,870	174	Not disclosed	0	6.95	74.82
		23-25	Union Street	Halifax	HX1 1PR	New or Refurbished	968	90	5,324	0	5.5	Not Disclosed
2005	Venture House	3	Silver Street	Halifax	HX1 1HS	Second Hand	1,217	113	Not disclosed	Not disclosed	5	53.82
			Fenton Road	Halifax	HX1 3PP	Second Hand	2,417	225	Not disclosed	Not disclosed	Not Disclosed	Not Disclosed
2004		5	Clare Road	Halifax	HX1 2HX	Not disclosed	1,630	151	11,003	0	Not Disclosed	Not Disclosed
	Bull Green House	13 - 15	Bull Green	Halifax	HX1 2EB	Not disclosed	2,412	224	12,253	0	Not Disclosed	Not Disclosed
2003	Westgate House		Market Street	Halifax	HX1 1PD	Not disclosed	25,860	2,402	Not disclosed	Not disclosed	Not Disclosed	Not Disclosed

## Office (Freehold) Deals

	Building	Street No.	Street	Town	Postcode	Event Date	Grade
1		30	Prescott Street	Halifax	HX1 2LG	14/11/2013	Second Hand
2		46	Prescott Street	Halifax	HX1 2QW	15/07/2013	Second Hand
3		29	Harrison Road	Halifax	HX1 2AF	01/06/2013	Second Hand
4		3	St Johns Lane	Halifax	HX1 2JD	16/05/2013	Second Hand
5		5	Carlton Street	Halifax	HX1 2AL	16/05/2013	Second Hand
6		27	Harrison Road	Halifax	HX1 2AF	25/03/2013	Second Hand
7		2 - 3	Savile Row	Halifax	HX1 2EJ	05/04/2012	Second Hand
8		55 - 59	Pellon Lane	Halifax	HX1 5SP	23/03/2012	Second Hand
9		19 - 21	Clare Road	Halifax	HX1 2JA	30/09/2011	Second Hand
10		8 - 10	Carlton Street	Halifax	HX1 2AL	01/09/2011	Second Hand
11		22 - 26	Silver Street	Halifax	HX1 1HS	24/01/2011	Second Hand
12	Friends Meeting House		Clare Road	Halifax	HX1 2HX	01/09/2009	Second Hand
13		3	Carlton Street	Halifax	HX1 2AL	09/04/2009	Second Hand
14		2	Clare Road	Halifax	HX1 2HX	30/08/2007	Second Hand
15		2	West Parade	Halifax	HX1 2TA	01/02/2007	Second Hand
16		2	Rhodes Street	Halifax	HX1 5ET	06/12/2006	Not disclosed
17		2	Rhodes Street	Halifax	HX1 5ET	18/10/2006	Not disclosed
18	Black Swan Chambers		Black Swan Passage	Halifax	HX1 1HZ	06/09/2006	Not disclosed
19	Kingfisher House		Portland Place	Halifax	HX1 2QN	27/07/2006	Not disclosed
20	Causeway House		Causeway	Halifax	HX1 1QL	01/12/2004	Second Hand
21		17-19	Lord Street	Halifax	HX1 5AE	25/03/2004	Not disclosed

Deal Type	Size SqFt	Size SqM	Sale Price (£)
Freehold Sold	2,650	246	155,000
Freehold Sold	1,839	171	148,000
Freehold Sold	1,931	179	115,000
Freehold Sold	700	65	60,000
Freehold Sold	1,528	142	75,000
Freehold Sold	2,686	250	125,000
Freehold Sold	3,893	362	220,000
Freehold Sold	4,488	417	Not disclosed
Freehold Sold	2,634	245	160,000
Freehold Sold	7,658	711	Not disclosed
Freehold Sold	852	79	86,000
Freehold Sold	2,800	260	295,000
Freehold Sold	1,532	142	Not disclosed
Freehold Sold	1,072	100	Not disclosed
Freehold Sold	2,195	204	92,000
Freehold with VP Sold at Auction	Not disclosed	Not disclosed	140,000
Freehold with VP Sold at Auction	Not disclosed	Not disclosed	140,000
Freehold with VP Sold at Auction	Not disclosed	Not disclosed	113,000
Freehold with VP Sold at Auction	6,132	570	352,000
Freehold Sold	8,335	774	Not disclosed
Freehold with VP Sold at Auction	Not disclosed	Not disclosed	82,500

### Retail (Freehold) Available Properties

Building Name/Park	Street No	Street Name	Town	Postcode	Ground Floors Sales (SF)	Ground Floors Sales (SM)	Sale Price
	3	Battison Road	Halifax	HX1 5PR	555	52	£62,500
	34	Bull Green	Halifax	HX1 5AB	1,821	169	£135,000
	27 - 29	Crown Street	Halifax	HX1 1TT	2,830	263	£275,000
	13	Crown Street	Halifax	HX1 1TT	3,322	309	£175,000
The Oddfellow Arms	158	Haugh Shaw Road	Halifax	HX1 3BG	2,583	240	£185,000
India Buildings	86-88	Horton Street	Halifax	HX1 1QE	50,454	4,687	£2,000,000
Millworks		Horton Street	Halifax	HX1 1QE	19,800	1,839	Not Quoting
	165	King Cross Road	Halifax	HX1 3LN	304	28	£40,000
	204	King Cross Road	Halifax	HX1 3JP	1,644	153	£110,000
	166	King Cross Road	Halifax	HX1 3LN	384	36	£110,000
Junction Hotel	192	Kings Cross Road	Halifax	HX1 3JP	1,653	154	£155,000
	8	Lord Street	Halifax	HX1 5AE	3,336	310	£160,000
	2	Pellon Lane	Halifax	HX1 5SP	513	48	£115,000
	259	Queens Road	Halifax	HX1 4NS	2,773	258	£225,000
	24 - 28	Waterhouse Street	Halifax	HX1 1UQ	1,197	111	£145,000

## Retail (Leasehold) Available Properties

Building Name/Park	Street No	Street Name	Town	Postcode	Type	Use Class	Ground Floors Sales (SF)	Other Sales (SF)	Total Sales	Total Ancillary (SF)	Rent (pa)
Broad Street Plaza, Unit 4		Broad Street	Halifax	HX1 1YA	High Street	A1 (shops)	2,969	0	2,969	0	Not Quoting
Broad Street Plaza, Unit 6b		Broad Street	Halifax	HX1 1YA	High Street	A1 (shops)	10,500	0	10,500	0	Not Quoting
	23	Bull Green	Halifax	HX1 2RX	High Street	A1 (shops)	347	0	347	353	£6,500
	19	Charles Street	Halifax	HX1 1QW	High Street	A1 (shops)	6,017	0	6,017	0	£60,170
	27 - 29	Crown Street	Halifax	HX1 1TT	High Street	A1 (shops)	1,153	0	1,153	1,677	£23,000
	2	Crown Street	Halifax	HX1 1TT	High Street	A1 (shops)	1,097	0	1,097	3,403	£39,500
	13	Crown Street	Halifax	HX1 1TT	High Street	A1 (shops)	871	0	871	2,451	Not Quoting
Millworks	25	Horton Street	Halifax	HX1 1QE	High Street	A1 (shops)	1,778	255	2,033	817	£16,000
	202	King Cross Road	Halifax	HX1 3JP	High Street	A1 (shops)	404	0	404	0	£6,760
	223	King Cross Road	Halifax	HX1 3JL	High Street	A1 (shops)	745	0	745	1,043	£15,000
	166	King Cross Road	Halifax	HX1 3LN	High Street	A1 (shops)	384	0	384	0	Not Quoting
	3 - 5	Northgate	Halifax	HX1 1UR	High Street	A1 (shops)	604	0	604	330	£16,500
	7-8	Old Arcade	Halifax	HX1 1TJ	High Street	A1 (shops)	444	2,212	2,656	0	£16,000
Woolshops Shopping Centre, Unit 9 Woolshops		The Square	Halifax	HX1 1RU	Shopping Centre	A1 (shops)	1,238	0	1,238	1,288	£18,500
Woolshops Shopping Centre	1	The Square	Halifax	HX1 1RJ	Shopping Centre	A1 (shops)	1,044	0	1,044	944	£22,500
	7	Westgate	Halifax	HX1 1DJ	High Street	A1 (shops)	101	1,844	1,945	0	£10,000
Woolshops Shopping Centre, Unit 25	4	Woolshops	Halifax	HX1 1RU	Shopping Centre	A1 (shops)	1,166	0	1,166	0	£47,500
Woolshops Shopping Centre, Unit 30	3	Woolshops	Halifax	HX1 1RU	Shopping Centre	A1 (shops)	1,127	0	1,127	1,180	£52,500
Woolshops Shopping Centre, Unit 22	10	Woolshops	Halifax	HX1 1RU	Shopping Centre	A1 (shops)	1,270	0	1,270	0	£45,000
Woolshops Shopping Centre, 19	5	Woolshops	Halifax	HX1 1RU	Shopping Centre	A1 (shops)	650	0	650	602	£32,500
Woolshops Shopping Centre, Unit 21	12	Woolshops	Halifax	HX1 1RU	Shopping Centre	A1 (shops)	1,056	0	1,056	0	£40,000

## Retail (Leasehold) Deals

Building	Street No.	Street	Edifice Park	Locality	Postcode	Event Date	Use Code	Grade	Size Sqft	Size SqM	Sale Price (£)	Achieved Rent (£)	Achieved Rent (£ per sq ft)	Achieved Rent (£ per sq m)	Rent Free Period (months)	Asking Rent (£)	Asking Rent (£ per sq ft)	Asking Rent (£ per sq m)
	14 - 20	Rawson Street			HX1 1NH	01/04/2014	RETAIL HIGH STREET UNIT	Second Hand	2,179	202	n/a	20,000	9.18	98.81	1	24,000	11.01	118.55
	1 - 7	Old Market			HX1 1TJ	20/02/2014	RETAIL HIGH STREET UNIT	Second Hand	3,563	331	n/a	Not disclosed	Not disclosed	Not disclosed	0	30,000	8.42	90.63
	24 - 26	Cheapside			HX1 1TC	11/02/2014	MIXED RETAIL	Second Hand	2,135	198	n/a	10,400	4.87	52.42	0	10,000	4.68	50.42
	235	King Cross Road			HX1 3JL	01/02/2014	RETAIL HIGH STREET UNIT	Second Hand	989	92	n/a	10,000	10.11	108.82	1	11,000	11.12	119.72
	6	Northgate			HX1 1UR	02/01/2014	MIXED RETAIL	Second Hand	1,040	97	n/a	12,750	12.26	131.97	0	13,750	13.22	142.31
	6	Saville Park Street			HX1 3DX	20/12/2013	RETAIL HIGH STREET UNIT	Second Hand	660	61	n/a	Not disclosed	Not disclosed	Not disclosed	0	6,500	9.85	106
	18	Commercial Street			HX1 1TA	07/12/2013	MIXED RETAIL	Second Hand	359	33	n/a	5,000	13.93	149.94	0	Not Disclosed	Not Disclosed	Not Disclosed
Venture House	1 - 9	Silver Street			HX1 1HS	01/11/2013	RETAIL HIGH STREET UNIT	Second Hand	702	65	n/a	12,000	17.09	183.96	5	19,000	27.07	291.32
	10	Bull Green			HX1 5AB	01/11/2013	MIXED RETAIL	Second Hand	1,282	119	n/a	10,000	7.8	83.96	1	11,000	8.58	92.36
Pellon Lane Retail Park		Pellon Lane	Units 1-5 Pellon Lane Retail Park		HX1 5CX	26/10/2013	RETAIL PARK	Second Hand	5,300	492	n/a	Not disclosed	Not disclosed	Not disclosed	0	79,400	14.98	161.25
	30	Bull Green			HX1 5AB	14/09/2013	MIXED RETAIL	Second Hand	646	60	n/a	8,000	13.26	133.26	6	8,840	13.68	147.28
	1 - 7	Old Market			HX1 1TJ	06/09/2013	RETAIL HIGH STREET UNIT	Second Hand	1,179	110	n/a	6,000	5.09	54.79	0	6,000	5.09	54.78
		Pellon Lane	Units 1-3 Halifax Retail Park		HX1 5DF	30/08/2013	RETAIL OUT OF TOWN	Second Hand	18,000	1,672	n/a	200,000	11.11	119.59	0	200,000	11.11	119.6
	8	Commercial Street			HX1 1TA	15/06/2013	RETAIL HIGH STREET UNIT	Second Hand	1,219	113	n/a	Not disclosed	Not disclosed	Not disclosed	0	10,200	8.37	90.07
	12 - 14	Market Street			HX1 1PB	01/05/2013	RETAIL HIGH STREET UNIT	Second Hand	7,585	705	n/a	75,000	9.89	106.46	0	Not Disclosed	Not Disclosed	Not Disclosed
	22 - 26	Silver Street			HX1 1HS	08/03/2013	RETAIL HIGH STREET UNIT	Second Hand	849	79	n/a	4,750	5.59	60.17	0	5,000	5.89	63.4
Southgate House		Wards End			HX1 1DE	24/12/2012	RETAIL HIGH STREET UNIT	Second Hand	7,452	692	n/a	13,000	1.74	18.73	3	25,000	3.35	36.11
	10	Princess Street			HX1 1TS	16/12/2012	RETAIL HIGH STREET UNIT	Second Hand	1,006	93	n/a	Not disclosed	Not disclosed	Not disclosed	0	20,000	19.88	214
Westgate House		Market Street			HX1 1PD	02/12/2012	RETAIL HIGH STREET UNIT	Second Hand	1,969	183	n/a	67,500	34.28	368.99	24	85,000	43.17	464.66
	4	Powell Street			HX1 1LN	01/10/2012	RETAIL HIGH STREET UNIT	Second Hand	491	46	n/a	5,500	11.2	120.56	0	8,000	16.29	175.36
	22	Cow Green			HX1 1HX	10/09/2012	RETAIL HIGH STREET UNIT	Second Hand	487	45	n/a	7,500	15.4	165.77	3	7,500	15.4	165.78
	34 - 40	Commercial Street			HX1 1BW	14/08/2012	RETAIL HIGH STREET UNIT	Second Hand	754	70	n/a	10,500	13.93	149.94	0	10,000	13.26	142.76
	48	New Road			HX1 2UH	08/08/2012	RETAIL HIGH STREET UNIT	Second Hand	953	89	n/a	Not disclosed	Not disclosed	Not disclosed	0	10,000	10.49	112.94
		Pellon Lane	Units 1-3 Halifax Retail Park		HX1 5DF	02/08/2012	RETAIL OUT OF TOWN	Second Hand	5,059	470	n/a	33,125	6.55	70.5	0	45,000	8.9	95.74
	248	Kings Cross Road			HX1 3JP	13/07/2012	RETAIL HIGH STREET UNIT	Second Hand	1,973	183	n/a	Not disclosed	Not disclosed	Not disclosed	0	18,500	9.38	100.93
	4	Com Market			HX1 1IH	06/07/2012	RETAIL HIGH STREET UNIT	Second Hand	1,870	174	n/a	18,000	9.63	103.66	0	22,500	12.03	129.51
	235	King Cross Road			HX1 3JL	24/06/2012	RETAIL HIGH STREET UNIT	New or Refurbished	989	92	n/a	10,000	10.11	108.82	0	11,000	11.12	119.72
	20	Bull Green			HX1 5AB	13/04/2012	RETAIL HIGH STREET UNIT	Second Hand	963	89	n/a	4,830	5.02	54.04	0	7,000	7.27	78.24
	1 - 7	Old Market			HX1 1TJ	01/04/2012	RETAIL HIGH STREET UNIT	Second Hand	687	64	n/a	25,000	36.39	391.7	0	30,000	43.67	470.07
	13 - 19	Commercial Street			HX1 1HJ	23/01/2012	RETAIL HIGH STREET UNIT	Second Hand	1,133	105	n/a	8,500	7.5	80.73	0	10,000	9.83	95
	34 - 40	Commercial Street			HX1 1BW	31/10/2011	RETAIL HIGH STREET UNIT	Second Hand	1,101	102	n/a	8,000	7.27	78.25	3	Not Disclosed	Not Disclosed	Not Disclosed
	217	King Cross Road			HX1 3JL	30/09/2011	RETAIL HIGH STREET UNIT	Second Hand	1,085	101	n/a	9,000	8.29	89.23	0	9,000	8.29	89.29
	215	King Cross Road			HX1 3JL	31/08/2011	RETAIL HIGH STREET UNIT	Second Hand	1,015	94	n/a	8,500	8.37	90.09	0	8,500	8.37	90.14
	2 - 8	George Street			HX1 1HA	26/08/2011	RETAIL HIGH STREET UNIT	Second Hand	2,622	244	n/a	13,500	5.15	55.43	2	15,000	5.72	61.58
	51 - 55	Winding Road			HX1 1SJ	01/08/2011	RETAIL HIGH STREET UNIT	Second Hand	1,521	141	n/a	7,500	4.93	53.07	1	10,200	6.71	72.18
	26-30	Southgate			HX1 1DL	01/07/2011	RETAIL HIGH STREET UNIT	Second Hand	9,065	842	n/a	Not disclosed	Not disclosed	Not disclosed	0	125,000	13.79	148.43
	2 - 8	George Street			HX1 1HA	15/06/2011	RETAIL HIGH STREET UNIT	Second Hand	1,355	126	n/a	12,507	9.23	99.35	0	12,507	9.23	99.36
	1 - 7	Old Market			HX1 1TJ	12/06/2011	RETAIL HIGH STREET UNIT	Second Hand	1,707	159	n/a	7,101	4.16	44.78	2	11,369	6.66	71.69
	176	King Cross Road			HX1 3UN	01/06/2011	RETAIL HIGH STREET UNIT	Second Hand	438	41	n/a	5,550	12.67	136.38	0	6,000	13.7	147.46
	15-17	Crown Street			HX1 1TT	26/05/2011	RETAIL HIGH STREET UNIT	Second Hand	7,767	722	n/a	24,600	3.17	34.12	4	27,035	3.48	37.47
	233	King Cross Road			HX1 3JL	13/04/2011	RETAIL HIGH STREET UNIT	Second Hand	684	64	n/a	10,000	14.62	157.37	0	10,000	14.62	157.36
Woolshops Shopping Centre	4 - 14	Woolshops	Woolshops Shopping Centre		HX1 1RU	07/04/2011	SHOPPING CENTRE	Second Hand	1,988	185	n/a	Not disclosed	Not disclosed	Not disclosed	0	35,000	17.61	189.51
	1 - 7	Old Market			HX1 1TJ	01/03/2011	RETAIL HIGH STREET UNIT	Second Hand	421	39	n/a	11,999	28.5	306.77	1	12,499	29.69	319.59
	38	Southgate			HX1 1DL	10/01/2011	RETAIL HIGH STREET UNIT	Second Hand	3,211	298	n/a	17,500	5.45	58.66	3	20,000	6.23	67.04
Woolshop Shopping Centre	3 - 27	Woolshops	Woolshops Shopping Centre		HX1 1RU	01/01/2011	SHOPPING CENTRE	Not disclosed	6,238	580	n/a	140,000	22.44	241.54	0	87,000	13.95	150.12
	31 - 33	Northgate			HX1 1UR	01/01/2011	RETAIL HIGH STREET UNIT	Not disclosed	4,338	403	n/a	Not disclosed	Not disclosed	Not disclosed	0	Not Disclosed	Not Disclosed	Not Disclosed
		Marshway	Units 11-15 Halifax Industrial Centre		HX1 5RW	01/01/2011	MIXED RETAIL	Second Hand	1,827	170	n/a	Not disclosed	Not disclosed	Not disclosed	0	10,999	6.02	Not Disclosed
	23-25	Union Street			HX1 1PR	01/01/2011	RETAIL HIGH STREET UNIT	Second Hand	918	85	n/a	12,000	13.07	140.69	0	12,000	13.07	Not Disclosed
	17 - 19	King Cross Street			HX1 2SH	15/12/2010	RETAIL HIGH STREET UNIT	Second Hand	534	50	n/a	9,000	16.85	181.37	1	9,000	16.85	181.42
	6 - 8	Com Market			HX1 1IH	10/12/2010	RETAIL HIGH STREET UNIT	Second Hand	2,135	198	n/a	17,500	8.2	88.26	3	20,000	9.37	100.83
Woolshops Shopping Centre	4 - 14	Woolshops	Woolshops Shopping Centre		HX1 1RU	03/12/2010	SHOPPING CENTRE	Second Hand	2,998	279	n/a	17,500	5.84	62.86	3	42,512	14.18	152.64
	172	King Cross Road			HX1 3UN	01/11/2010	RETAIL HIGH STREET UNIT	Second Hand	330	31	n/a	5,000	15.15	163.07	0	5,000	15.15	163.08
	4	Rawson Street			HX1 1NH	01/11/2010	RETAIL HIGH STREET UNIT	Second Hand	395	37	n/a	Not disclosed	Not disclosed	Not disclosed	0	13,000	32.91	Not Disclosed
Woolshops Shopping Centre	4 - 14	Woolshops	Woolshops Shopping Centre		HX1 1RU	28/10/2010	SHOPPING CENTRE	Second Hand	316	29	n/a	14,546	46.03	497.47	6	29,099	92.09	991.11
	15	Rawson Street			HX1 1NH	11/10/2010	RETAIL HIGH STREET UNIT	Second Hand	690	55	n/a	Not disclosed	Not disclosed	Not disclosed	0	12,500	21.19	Not Disclosed
Woolshops Shopping Centre	4 - 14	Woolshops	Woolshops Shopping Centre		HX1 1RU	01/09/2010	SHOPPING CENTRE	Second Hand	34,534	3,208	n/a	240,000	6.95	74.81	0	334,592	9.69	Not Disclosed
Woolshops Shopping Centre		Woolshops	Woolshops Shopping Centre		HX1 1RU	25/08/2010	SHOPPING CENTRE	Second Hand	2,881	268	n/a	50,000	17.36	186.86	0	70,000	24.3	Not Disclosed
Woolshops Shopping Centre	4 - 14	Woolshops	Woolshops Shopping Centre		HX1 1RU	09/08/2010	SHOPPING CENTRE	Second Hand	4,348	404	n/a	80,000	18.4	198.06	0	97,500	22.42	Not Disclosed
	10 - 12	Crown Street			HX1 1TT	01/07/2010	RETAIL HIGH STREET UNIT	Second Hand	900	84	n/a	15,000	16.67	179.44	2	19,500	21.67	Not Disclosed
	1 - 7	Old Market			HX1 1TJ	01/04/2010	RETAIL HIGH STREET UNIT	Second Hand	1,878	174	n/a	20,996	11.18	120.34	3	24,752	13.18	Not Disclosed
	4	Powell Street			HX1 1LN	01/03/2010	RETAIL HIGH STREET UNIT	Second Hand	759	71	n/a	8,500	11.2	120.56	0	8,000	10.54	Not Disclosed
	9	George Street			HX1 1HA	01/03/2010	RETAIL HIGH STREET UNIT	Second Hand	376	35	n/a	Not disclosed	Not disclosed	Not disclosed	0	11,000	29.26	Not Disclosed
Granby Hotel	300	Gibbet Street			HX1 4JX	01/02/2010	RETAIL HIGH STREET UNIT	Second Hand	600	56	n/a	6,000	10	107.64	0	8,640	Not Disclosed	Not Disclosed
Pellon Lane Retail Park		Pellon Lane	Units 1-5 Pellon Lane Retail Park		HX1 5CX	11/12/2009	SHOPPING CENTRE	New or refurbished	3,210	298	n/a	Not disclosed	Not disclosed	Not disclosed	0	31,297	9.75	Not Disclosed
	50 - 54	Southgate			HX1 1DL	01/11/2009	RETAIL HIGH STREET UNIT	Second Hand	1,571	146	n/a	15,000	9.55	102.8	0	15,000	9.55	Not Disclosed
Woolshops Shopping Centre	4 - 14	Woolshops	Woolshops Shopping Centre		HX1 1RU	20/10/2009	SHOPPING CENTRE											

Retail (Freehold) Deals

Building	Street No.	Street	County/UA	Postcode	Event Date	Days on market	Use Code	Grade	Deal Type	Size Sqft	Size SqM	Sale Price (£)
	182	King Cross Road	WEST YORKSHIRE	HX1 3LN	26/06/2014	169	RETAIL HIGH STREET UNIT	Second Hand	Freehold Sold	445	41	82,000
	20	Carlton Street	WEST YORKSHIRE	HX1 2AL	06/06/2014	121	RETAIL OUT OF TOWN	Second Hand	Freehold Sold	348	32	72,500
	3 - 5	Crown Street	WEST YORKSHIRE	HX1 1TT	05/08/2013	Not disclosed	RETAIL HIGH STREET UNIT	Not disclosed	Freehold Sold	2,287	212	125,000
	13 - 19	Commercial Street	WEST YORKSHIRE	HX1 1HJ	15/06/2013	302	RETAIL HIGH STREET UNIT	Second Hand	Freehold Sold	3,876	360	285,000
Old Cock Hotel		Old Cock Yard	WEST YORKSHIRE	HX1 1DS	03/04/2013	160	MIXED RETAIL	Second Hand	Freehold Sold	4,319	401	Not disclosed
	14	Commercial Street	WEST YORKSHIRE	HX1 1TA	01/03/2013	598	RETAIL HIGH STREET UNIT	Second Hand	Freehold Sold	407	38	90,000
	8	Commercial Street	WEST YORKSHIRE	HX1 1TA	10/09/2012	374	RETAIL HIGH STREET UNIT	New or Refurbished	Freehold Sold	1,258	117	120,000
Lord Street Chambers	38	Bull Green	WEST YORKSHIRE	HX1 5AB	01/09/2011	89	RETAIL HIGH STREET UNIT	Second Hand	Freehold Sold	1,137	106	Not disclosed
Royal Oak Inn	1	Clare Road	WEST YORKSHIRE	HX1 2JP	01/03/2011	Not disclosed	MIXED RETAIL	Not disclosed	Freehold with VP Sold at Auction	Not disclosed	Not disclosed	Not disclosed
Orange Tree		Cross Street	WEST YORKSHIRE	HX1 1XB	01/02/2011	104	RETAIL OUT OF TOWN	Second Hand	Freehold Sold	797	74	Not disclosed
	237 - 239	King Cross Road	WEST YORKSHIRE	HX1 3JL	14/10/2010	Not disclosed	MIXED RETAIL	Not disclosed	Freehold with VP Sold at Auction	Not disclosed	Not disclosed	70,000
Floors 2 Go		Lister Street	WEST YORKSHIRE	HX1 1UZ	01/03/2010	496	RETAIL OUT OF TOWN	Second Hand	Freehold Sold	5,216	485	Not disclosed
	14 - 18	Pellon Lane	WEST YORKSHIRE	HX1 5SP	01/01/2010	482	RETAIL HIGH STREET UNIT	Second Hand	Freehold Sold	1,814	169	55,000
	68	Horton Street	WEST YORKSHIRE	HX1 1QE	08/09/2009	403	RETAIL HIGH STREET UNIT	Second Hand	Freehold Sold	8,059	749	300,000
	75	Hopwood Lane	WEST YORKSHIRE	HX1 4DG	13/10/2008	Not disclosed	MIXED RETAIL	Not disclosed	Freehold with VP Sold at Auction	Not disclosed	Not disclosed	122,500
	152	Haugh Shaw Road	WEST YORKSHIRE	HX1 3BG	18/06/2008	Not disclosed	RETAIL HIGH STREET UNIT	Not disclosed	Freehold Sold	463	43	140,000
	34	Crown Street	WEST YORKSHIRE	HX1 1TT	12/05/2008	Not disclosed	RETAIL HIGH STREET UNIT	Not disclosed	Freehold Sold	4,297	399	Not disclosed
	2	Waterhouse Street	WEST YORKSHIRE	HX1 1UO	07/01/2008	Not disclosed	RETAIL HIGH STREET UNIT	Not disclosed	Freehold Sold	4,295	399	310,000
	35	Savile Road	WEST YORKSHIRE	HX1 2BA	19/07/2006	Not disclosed	MIXED RETAIL	Not disclosed	Freehold with VP Sold at Auction	Not disclosed	Not disclosed	435,000
	196	Savile Park Road	WEST YORKSHIRE	HX1 2XP	28/07/2005	Not disclosed	MIXED RETAIL	Not disclosed	Freehold with VP Sold at Auction	Not disclosed	Not disclosed	98,000
	32	Crown Street	WEST YORKSHIRE	HX1 1TT	17/02/2005	Not disclosed	MIXED RETAIL	Not disclosed	Freehold with VP Sold at Auction	1,785	166	98,000
	22	Crown Street	WEST YORKSHIRE	HX1 1TT	14/12/2004	Not disclosed	MIXED RETAIL	Not disclosed	Freehold with VP Sold at Auction	1,565	145	150,000
Public Convenience		Pellon New Road	WEST YORKSHIRE	HX1 4QE	14/07/2004	Not disclosed	MIXED RETAIL	Not disclosed	Freehold with VP Sold at Auction	871	81	25,500
Former Public Convenience Site		Haugh Shaw Road	WEST YORKSHIRE	HX1 3AH	14/07/2004	Not disclosed	MIXED RETAIL	Not disclosed	Freehold with VP Sold at Auction	431	40	17,500
	103	Northgate	WEST YORKSHIRE	HX1 1XF	28/05/2003	Not disclosed	MIXED RETAIL	Not disclosed	Auction Sale	Not disclosed	Not disclosed	97,000



## Appendix II

### Development Appraisals

**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

Halifax town centre  
Hypothetical high quality office development

Summary Appraisal for Phase 1

Currency in £

**REVENUE****Rental Area Summary**

	<b>Units</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Initial MRV/Unit</b>	<b>Net Rent at Sale</b>	<b>Initial MRV</b>
Offices	1	50,000	15.00	750,000	750,000	750,000

**Investment Valuation**

<b>Offices</b>						
Market Rent	750,000	YP @	7.0000%	14.2857		
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	7.0000%	0.9667	10,357,891	

**GROSS DEVELOPMENT VALUE****10,357,891**

Purchaser's Costs	5.75%	(595,579)		(595,579)		
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**NET DEVELOPMENT VALUE****9,762,312****NEGATIVE LAND ALLOWANCE**

Residualised Price			1,464,822		1,464,822	
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**NET REALISATION****11,227,134****OUTLAY****ACQUISITION COSTS**

Negative Land Allowance	(1,464,822)					
Town Planning			20,000			
Survey			20,000			
				40,000		

**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

Halifax town centre

Hypothetical high quality office development

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost	
Offices	55,556 ft <sup>2</sup>	130.00 pf <sup>2</sup>	7,222,222	<b>7,222,222</b>
Contingency		5.00%	361,111	361,111

**PROFESSIONAL FEES**

All fees		10.00%	722,222	722,222
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**MARKETING & LETTING**

Marketing			20,000	
Letting Agent Fee		10.00%	75,000	
Letting Legal Fee		5.00%	37,500	
				132,500

**DISPOSAL FEES**

Sales Agent Fee		1.00%	97,623	
Sales Legal Fee		0.50%	48,812	
				146,435

**FINANCE**

Debit Rate 6.500%, Credit Rate 0.000% (Nominal)				
Land			(119,930)	
Construction			374,917	
Letting Void			476,469	
Total Finance Cost				731,455

**TOTAL COSTS****9,355,945****PROFIT****1,871,189****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	18.07%
Profit on NDV%	19.17%
Development Yield% (on Rent)	8.02%
Equivalent Yield% (Nominal)	7.00%

**APPRAISAL SUMMARY****GVA GRIMLEY LTD****Halifax town centre****Hypothetical high quality office development**

Equivalent Yield% (True)	7.32%
IRR	24.42%
Rent Cover	2 yrs 6 mths
Profit Erosion (finance rate 6.500%)	2 yrs 10 mths

**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

Halifax town centre  
Hypothetical 'own front door' offices

Summary Appraisal for Phase 1

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Unit Price	Gross Sales
Pavillion style offices	1	10,000	60.00	600,000	600,000

**NET REALISATION****600,000****OUTLAY****ACQUISITION COSTS**

Residualised Price (Negative land)			(660,822)		(660,822)
Town Planning			20,000		
Survey			20,000		
				40,000	

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost	
Pavillion style offices	11,111 ft <sup>2</sup>	85.00 pf <sup>2</sup>	944,444	<b>944,444</b>
Contingency		5.00%	47,222	
				47,222

**PROFESSIONAL FEES**

All fees		10.00%	94,444		94,444
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**MARKETING & LETTING**

Marketing			20,000		20,000
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**DISPOSAL FEES**

Sales Agent Fee		1.00%	6,000		
Sales Legal Fee		0.50%	3,000		
				9,000	

**FINANCE**

**APPRAISAL SUMMARY****GVA GRIMLEY LTD****Halifax town centre****Hypothetical 'own front door' offices**

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)

Land	(26,348)	
Construction	32,058	
Total Finance Cost		5,710

**TOTAL COSTS****500,000****PROFIT****100,000****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%

IRR N/A

Profit Erosion (finance rate 6.000%) 3 yrs 1 mth

**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

Halifax town centre  
Hypothetical retail scheme

Summary Appraisal for Phase 1

Currency in £

**REVENUE****Rental Area Summary**

	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Anchor (e.g. Primark)	1	30,000	11.00	330,000	330,000	330,000	330,000
Multi tenanted element	5	5,000	16.00	16,000	64,000	80,000	64,000
<b>Totals</b>	<b>6</b>	<b>35,000</b>			<b>394,000</b>	<b>410,000</b>	<b>394,000</b>

**Investment Valuation****Anchor (e.g. Primark)**

Current Rent	330,000	YP @	7.0000%	14.2857	4,714,286
<b>Multi tenanted element</b>					
Current Rent	64,000	YP @	9.5000%	10.5263	673,684
					<b>5,387,970</b>

**GROSS DEVELOPMENT VALUE****5,387,970**

Purchaser's Costs	5.75%	(309,808)	(309,808)
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**NET DEVELOPMENT VALUE****5,078,162****NEGATIVE LAND ALLOWANCE**

Residualised Price	459,576	459,576
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**NET REALISATION****5,537,737****OUTLAY****ACQUISITION COSTS**

Negative Land Allowance	(459,576)
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**APPRAISAL SUMMARY****GVA GRIMLEY LTD****Halifax town centre  
Hypothetical retail scheme**

Town Planning			20,000	
Survey			20,000	
				40,000
<b>CONSTRUCTION COSTS</b>				
<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Anchor (e.g. Primark)	30,000 ft <sup>2</sup>	100.00 pf <sup>2</sup>	3,000,000	
Multi tenanted element	<u>5,000 ft<sup>2</sup></u>	100.00 pf <sup>2</sup>	<u>500,000</u>	
<b>Totals</b>	<b>35,000 ft<sup>2</sup></b>		<b>3,500,000</b>	<b>3,500,000</b>
Contingency		5.00%	175,000	
				175,000
<b>PROFESSIONAL FEES</b>				
All fees		10.00%	350,000	
				350,000
<b>MARKETING &amp; LETTING</b>				
Marketing			50,000	
Letting Agent Fee		10.00%	39,400	
Letting Legal Fee		5.00%	19,700	
				109,100
<b>DISPOSAL FEES</b>				
Sales Agent Fee		1.00%	50,782	
Sales Legal Fee		0.50%	25,391	
				76,172
<b>FINANCE</b>				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			(37,600)	
Construction			169,939	
Letting Void			232,169	
Total Finance Cost				364,509
<b>TOTAL COSTS</b>				<b>4,614,781</b>
<b>PROFIT</b>				<b>922,956</b>

**Halifax town centre  
Hypothetical retail scheme****Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	17.13%
Profit on NDV%	18.18%
Development Yield% (on Rent)	8.54%
Equivalent Yield% (Nominal)	7.31%
Equivalent Yield% (True)	7.66%
IRR	20.84%
Rent Cover	2 yrs 4 mths
Profit Erosion (finance rate 6.000%)	3 yrs 1 mth

**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

High level appraisal of Northgate House  
Assumes traditional developer delivery

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE****Rental Area Summary**

	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Anchor (e.g. Primark)	1	45,000	9.50	427,500	427,500	427,500	427,500
Multi tenanted element	5	37,500	12.50	93,750	375,000	468,750	375,000
<b>Totals</b>	<b>6</b>	<b>82,500</b>			<b>802,500</b>	<b>896,250</b>	<b>802,500</b>

**Investment Valuation**

<b>Anchor (e.g. Primark)</b>							
Current Rent	427,500	YP @	7.0000%	14.2857	6,107,143		
<b>Multi tenanted element</b>							
Current Rent	375,000	YP @	9.5000%	10.5263	3,947,368		
					<b>10,054,511</b>		

**GROSS DEVELOPMENT VALUE****10,054,511**

Purchaser's Costs	5.80%	(583,162)		(583,162)			
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**NET DEVELOPMENT VALUE****9,471,350****NEGATIVE LAND ALLOWANCE**

Residualised Price		872,813		872,813			
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**NET REALISATION****10,344,163****OUTLAY****ACQUISITION COSTS**

Negative Land Allowance		(872,813)					
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**APPRAISAL SUMMARY****GVA GRIMLEY LTD****High level appraisal of Northgate House  
Assumes traditional developer delivery**

Town Planning			100,000	
Survey			250,000	
				350,000
<b>CONSTRUCTION COSTS</b>				
<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Anchor (e.g. Primark)	45,000 ft <sup>2</sup>	80.00 pf <sup>2</sup>	3,600,000	
Multi tenanted element	<u>37,500 ft<sup>2</sup></u>	80.00 pf <sup>2</sup>	<u>3,000,000</u>	
<b>Totals</b>	<b>82,500 ft<sup>2</sup></b>		<b>6,600,000</b>	<b>6,600,000</b>
Contingency		5.00%	330,000	
				330,000
<b>PROFESSIONAL FEES</b>				
All fees		10.00%	660,000	
				660,000
<b>MARKETING &amp; LETTING</b>				
Marketing			50,000	
Letting Agent Fee		10.00%	80,250	
Letting Legal Fee		5.00%	40,125	
				170,375
<b>DISPOSAL FEES</b>				
Sales Agent Fee		1.00%	94,713	
Sales Legal Fee		0.50%	47,357	
				142,070
<b>FINANCE</b>				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			(111,773)	
Construction			479,464	
Total Finance Cost				367,690
<b>TOTAL COSTS</b>				<b>8,620,136</b>
<b>PROFIT</b>				<b>1,724,027</b>

**Performance Measures**

**APPRAISAL SUMMARY****GVA GRIMLEY LTD****High level appraisal of Northgate House****Assumes traditional developer delivery**

Profit on Cost%	20.00%
Profit on GDV%	17.15%
Profit on NDV%	18.20%
Development Yield% (on Rent)	9.31%
Equivalent Yield% (Nominal)	7.98%
Equivalent Yield% (True)	8.40%
IRR	34.01%
Rent Cover	2 yrs 2 mths
Profit Erosion (finance rate 6.000%)	3 yrs 1 mth

**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

High level appraisal of Northgate House  
Assumes LA direct delivery - NO PROFIT

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE****Rental Area Summary**

	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV	Net MRV at Sale
Anchor (e.g. Primark)	1	45,000	9.50	427,500	427,500	427,500	427,500
Multi tenanted element	5	37,500	12.50	93,750	375,000	468,750	375,000
<b>Totals</b>	<b>6</b>	<b>82,500</b>			<b>802,500</b>	<b>896,250</b>	<b>802,500</b>

**Investment Valuation****Anchor (e.g. Primark)**

Current Rent	427,500	YP @	7.0000%	14.2857	6,107,143
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**Multi tenanted element**

Current Rent	375,000	YP @	9.5000%	10.5263	3,947,368
					<b>10,054,511</b>

**GROSS DEVELOPMENT VALUE****10,054,511**

Purchaser's Costs	5.80%	(583,162)	(583,162)
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**NET DEVELOPMENT VALUE****9,471,350****NET REALISATION****9,471,350****OUTLAY****ACQUISITION COSTS**

Residualised Price			606,925	606,925
Stamp Duty	4.00%	24,277		
Agent Fee	1.00%	6,069		
Legal Fee	0.50%	3,035		

**APPRAISAL SUMMARY****GVA GRIMLEY LTD****High level appraisal of Northgate House  
Assumes LA direct delivery - NO PROFIT**

Town Planning			100,000	
Survey			250,000	
				383,381
<b>CONSTRUCTION COSTS</b>				
<b>Construction</b>	<b>ft<sup>2</sup></b>	<b>Rate ft<sup>2</sup></b>	<b>Cost</b>	
Anchor (e.g. Primark)	45,000 ft <sup>2</sup>	80.00 pf <sup>2</sup>	3,600,000	
Multi tenanted element	<u>37,500 ft<sup>2</sup></u>	80.00 pf <sup>2</sup>	<u>3,000,000</u>	
<b>Totals</b>	<b>82,500 ft<sup>2</sup></b>		<b>6,600,000</b>	<b>6,600,000</b>
Contingency		5.00%	330,000	
				330,000
<b>PROFESSIONAL FEES</b>				
All fees		10.00%	660,000	
				660,000
<b>MARKETING &amp; LETTING</b>				
Marketing			50,000	
Letting Agent Fee		10.00%	80,250	
Letting Legal Fee		5.00%	40,125	
				170,375
<b>DISPOSAL FEES</b>				
Sales Agent Fee		1.00%	94,713	
Sales Legal Fee		0.50%	47,357	
				142,070
<b>FINANCE</b>				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			99,135	
Construction			479,464	
Total Finance Cost				578,598
<b>TOTAL COSTS</b>				<b>9,471,350</b>
<b>PROFIT</b>				<b>0</b>
<b>Performance Measures</b>				
Profit on Cost%		0.00%		

**APPRAISAL SUMMARY****GVA GRIMLEY LTD****High level appraisal of Northgate House****Assumes LA direct delivery - NO PROFIT**

Profit on GDV%	0.00%
Profit on NDV%	0.00%
Development Yield% (on Rent)	8.47%
Equivalent Yield% (Nominal)	7.98%
Equivalent Yield% (True)	8.40%
IRR	5.70%
Profit Erosion (finance rate 6.000%)	N/A

**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

Halifax town centre  
Hypothetical supermarket scheme

Summary Appraisal for Phase 1

Currency in £

**REVENUE****Rental Area Summary**

Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
1	30,000	15.50	465,000	465,000	465,000

**Investment Valuation**

Current Rent	465,000	YP @	5.0000%	20.0000	9,300,000
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**GROSS DEVELOPMENT VALUE****9,300,000**

Purchaser's Costs	5.75%	(534,750)	(534,750)
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**NET DEVELOPMENT VALUE****8,765,250****NET REALISATION****8,765,250****OUTLAY****ACQUISITION COSTS**

Residualised Price (4.00 Acres 835,795.38 pAcre)		3,343,182	3,343,182
Stamp Duty	4.00%	133,727	
Agent Fee	1.00%	33,432	
Legal Fee	0.50%	16,716	
Town Planning		20,000	
Survey		20,000	
			223,875

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost
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**APPRAISAL SUMMARY****GVA GRIMLEY LTD****Halifax town centre****Hypothetical supermarket scheme**

	30,000 ft <sup>2</sup>	91.00 pf <sup>2</sup>	2,730,000	<b>2,730,000</b>
Contingency		5.00%	136,500	136,500
<b>PROFESSIONAL FEES</b>				
All fees		10.00%	273,000	273,000
<b>MARKETING &amp; LETTING</b>				
Letting Agent Fee		10.00%	46,500	
Letting Legal Fee		5.00%	23,250	69,750
<b>DISPOSAL FEES</b>				
Sales Agent Fee		1.00%	87,653	
Sales Legal Fee		0.50%	43,826	131,479
<b>FINANCE</b>				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			310,581	
Construction			86,008	
Total Finance Cost				396,589
<b>TOTAL COSTS</b>				<b>7,304,374</b>
<b>PROFIT</b>				<b>1,460,876</b>
<b>Performance Measures</b>				
Profit on Cost%		20.00%		
Profit on GDV%		15.71%		
Profit on NDV%		16.67%		
Development Yield% (on Rent)		6.37%		
Equivalent Yield% (Nominal)		5.00%		
Equivalent Yield% (True)		5.16%		
IRR		25.68%		

**Halifax town centre****Hypothetical supermarket scheme**

Rent Cover

3 yrs 2 mths

Profit Erosion (finance rate 6.000%)

3 yrs 1 mth

**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

Halifax town centre  
Hypothetical car showroom scheme

Summary Appraisal for Phase 1

Currency in £

**REVENUE****Rental Area Summary**

Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Initial MRV/Unit	Net Rent at Sale	Initial MRV
1	30,000	13.00	390,000	390,000	390,000

**Investment Valuation**

Current Rent	390,000	YP @	5.5000%	18.1818	7,090,909
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**GROSS DEVELOPMENT VALUE****7,090,909**

Purchaser's Costs	5.75%	(407,727)	(407,727)
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**NET DEVELOPMENT VALUE****6,683,182****NET REALISATION****6,683,182****OUTLAY****ACQUISITION COSTS**

Residualised Price (2.75 Acres 466,413.77 pAcre)		1,282,638	1,282,638
Stamp Duty	4.00%	51,306	
Agent Fee	1.00%	12,826	
Legal Fee	0.50%	6,413	
Town Planning		20,000	
Survey		20,000	
			110,545

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost
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**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

Halifax town centre

Hypothetical car showroom scheme

	30,000 ft <sup>2</sup>	110.00 pf <sup>2</sup>	3,300,000	<b>3,300,000</b>
Contingency		5.00%	165,000	165,000
<b>PROFESSIONAL FEES</b>				
All fees		10.00%	330,000	330,000
<b>MARKETING &amp; LETTING</b>				
Letting Agent Fee		10.00%	39,000	
Letting Legal Fee		5.00%	19,500	58,500
<b>DISPOSAL FEES</b>				
Sales Agent Fee		1.00%	66,832	
Sales Legal Fee		0.50%	33,416	100,248
<b>FINANCE</b>				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Land			119,157	
Construction			103,230	
Total Finance Cost				222,387
<b>TOTAL COSTS</b>				<b>5,569,318</b>
<b>PROFIT</b>				<b>1,113,864</b>
<b>Performance Measures</b>				
Profit on Cost%		20.00%		
Profit on GDV%		15.71%		
Profit on NDV%		16.67%		
Development Yield% (on Rent)		7.00%		
Equivalent Yield% (Nominal)		5.50%		
Equivalent Yield% (True)		5.69%		
IRR		32.51%		

**APPRAISAL SUMMARY****GVA GRIMLEY LTD****Halifax town centre****Hypothetical car showroom scheme**

Rent Cover

2 yrs 10 mths

Profit Erosion (finance rate 6.000%)

3 yrs 1 mth

**APPRAISAL SUMMARY****GVA GRIMLEY LTD**

Halifax town centre  
Hypothetical 50 unit housing scheme

**Summary Appraisal for Phase 1**

Currency in £

**REVENUE**

Sales Valuation	Units	ft <sup>2</sup>	Rate ft <sup>2</sup>	Unit Price	Gross Sales
Private units	40	40,000	190.00	190,000	7,600,000
Affordable units	10	10,000	95.00	95,000	950,000
<b>Totals</b>	<b>50</b>	<b>50,000</b>			<b>8,550,000</b>

**NET REALISATION****8,550,000****OUTLAY****ACQUISITION COSTS**

Residualised Price (4.00 Acres 351,920.47 pAcre)			1,407,682		
				1,407,682	
Stamp Duty		4.00%	56,307		
Agent Fee		1.00%	14,077		
Legal Fee		3.00%	42,230		
Town Planning			20,000		
Survey			20,000		
				152,615	

**CONSTRUCTION COSTS**

Construction	ft <sup>2</sup>	Rate ft <sup>2</sup>	Cost		
Private units	40,000 ft <sup>2</sup>	85.00 pf <sup>2</sup>	3,400,000		
Affordable units	10,000 ft <sup>2</sup>	85.00 pf <sup>2</sup>	850,000		
<b>Totals</b>	<b>50,000 ft<sup>2</sup></b>		<b>4,250,000</b>	<b>4,250,000</b>	

Contingency		5.00%	212,500		
				212,500	

**PROFESSIONAL FEES**

All fees		10.00%	425,000		
				425,000	

**DISPOSAL FEES**

**APPRAISAL SUMMARY****GVA GRIMLEY LTD****Halifax town centre****Hypothetical 50 unit housing scheme**

Marketing/sales/legals	3.00%	256,500	256,500
<b>FINANCE</b>			
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Land		200,911	
Construction		154,410	
Other		65,382	
Total Finance Cost			420,703
<b>TOTAL COSTS</b>			<b>7,125,000</b>
<b>PROFIT</b>			<b>1,425,000</b>

**Performance Measures**

Profit on Cost%	20.00%
Profit on GDV%	16.67%
Profit on NDV%	16.67%
IRR	21.32%
Profit Erosion (finance rate 6.000%)	3 yrs 1 mth



## Appendix III

### Consultation Transcripts

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Meeting / File Title: Meeting with Craig and David Haymer – Dews Garage

Date: 9 July 2014

Ref: 05B403815

Meeting Attendees: Dai Powell (DP), Craig (CH) and David Haymer (DH)

Circulation: Project team

Subject / Notes **Cripplegate conversation**

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- Confirmed they have previously met with Ian Grey – confirmed then their interest in Cripplegate as a relocation site.
- Restated this interest at the meeting.
- They did (in 2007 by Rapleys) do a site search but nothing decent emerged then and have not pursued any alternative sites since.
- Feel their site is outdated but in a great location. An 'old spot' in terms of what manufacturers want out of their sites/franchises now.
- Started conversation about a move to Cripplegate c. 6 years ago. Would still be keen to move.
- Big challenge is what the cost would be to move as their reserves have been eaten away during the recession. Mentioned there may be scope to apply for European funding (*Dale/James, is there an opportunity for ERDF, etc??*)
- They would like to take enough land for a 3/4 car franchise/dealership centre (consolidate most of their existing Halifax sites). This would mean a 6-7 acre land take.
- Would rather own the site rather than occupy on a lease (below an investor/fund). Ideally they'd want to buy it and develop it themselves. This is because they feel they need to own the property to back up cashflow to fund business (they have big month-to-month fluctuations in bank borrowing).
- Confirmed again that they have not looked at anything else as an alternative site and see Cripplegate as the only/ideal option.
- Relatively flexible in terms of the timescale for the move as they have just signed a contract with Vauxhall that commits the manufacturer for 2 years. Would like to have some certainty that the move could be signed up in 18-24 months to allow them to ensure the manufacturers are on-board.
- **In terms of Halifax more generally**, as locals, felt that one of the biggest issues is the lack of disposable income in the town. Halifax needs to define its offer and perhaps needs to aim to be a niche market (esp. given mainstream offer in new shopping centres in Leeds and Bradford). Key, they feel is to get decent shops/retailers into the town centre.

**Meeting / File Title:** David Hemp (DH) – Walker Singleton (WS) re Halifax

**Date:** 1 July 2014 **Ref:** DP

**Meeting Attendees:** Phone call – DP and DH **Circulation:** Project team

Ref		Action
<b>1.0</b>	<b>Offices</b>	
1.1	Optimistic outlook about Halifax generally.	
1.2	<b>MSP site NW of town centre</b> , prominent but derelict. Believes this is a great site – potential is good.	
1.3	<b>Dean Clough / other offices</b> – need for something to complete with DC but brave move to spec office buildings. Nothing new in Halifax TC for over 30 years. Best office site in town is on Broad Street – but lack of interest shows hold Deal Clough has and lack of demand, more generally for offices in the TC.	
1.4	Feels strategic thinking Council needs to go beyond Dean Clough. “Life beyond Dean Clough”. But feels you would need £17 psf rent for space for building to become viable. Reiterated that Broad Street the obvious one. Would need a minimum of 20,000 sq ft to pre-let to justify development.	
1.5	Some quasi Dean Clough style space currently being refurbished (to Grade A) opposite main LBG site – 11,000 sq ft.	
1.6	BUT: Dean Clough a very convincing offer – an ‘old’ offer that the market knows works. Draws demand from wider green because of quality of the offer. Total office market turn-over/quantum would be much lower without it – essentially an office park in a town centre location.	
1.7	17,000 sq ft let to Covea at Dean Clough is most recent letting – got it despite best efforts of Gregory at Broad Street.	
1.8	DH feels Dean Clough makes up 2/3 of the Halifax market, 1/3 is the rest of the town centre. If not more heavily weighted over a long period..	
<b>2.0</b>	<b>Masterplan</b>	
2.1	In terms of the masterplan – important to route people through Piece Hall and other areas.	
2.2	Worth noting that WS are selling old hotel and annex near station. Hotel group wants out.	

Ref		Action
2.3	Need look at that area around the train station for public rental improvements. But not too much intervention required. DH noted that £40m of prospects that are fully funded are due to happen over next 3 years.	
2.4	Agreed that improving connection to Dean Clough was important – need to work on the tatty blocks of property between DC and the town centre – Georgian/Victorian blocks – great buildings but tatty. Gateway blocks that need intervention.	
2.5	Feels Dews and Timeform(?) will be brought forward in time as a result of market forces but owners currently cautious about underselling.	
<b>3.0</b>	<b>Leisure</b>	
3.1	Broad Street mopped up multiple operators, but local/independents still about. E.g., Kashmiri Aroma are currently fitting out at unit opposite Broad Street.	
<b>4.0</b>	<b>Retail</b>	
4.1	Halifax punches below its weight in terms of multiple retailers.	
4.2	Lack of department stores in particular.	
4.3	Scope for these to come on with right space.	
4.4	No Starbucks – DH feels this is a good benchmark as to how poorly the town performs.	
4.5	For its size should have more multiples but big issues with physical nature of many of the buildings within the town centre.	
4.6	Woolshops – feels the centre is 'quirky/great'.	
4.7	Argument that better for the lack of multiples but town needs strong multiple offer as well.	
4.8	Bolting something on to Northgate House to take up this deficit seems to be the best bet.	

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Meeting / File Title: David Thompson (DT) telecon note

Date: 4 July 2014

Ref: 05B403815

Meeting Attendees: DT, Dai Powell (DP)

Circulation: Project team

Subject / Notes **Discussion about marketing of Northgate House and general market thoughts**

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- **Northgate House**
- Good, wide, far reaching marketing campaign undertaken.
- All interested parties suggested viability issues in respect of a retail scheme. Mainly caused by concerns over demolition costs and level of rent an anchor (such as Primark) willing to pay.
- No proper bids received. A number of broader expressions of interest to work with (partner) Calderdale Council to try to bring a scheme forward on a JV basis. I.e. developers not willing to take the risk of buying the site without tenants in place to fill the scheme.
- SJS and Henry Boot emerged as the most likely partners/purchasers – talking about an open book approach. Both invited for a conversation. Both said there was occupier demand, but the economics didn't work. Issues with rent levels – esp. anchor, who needed to be a '£ or two better" to create viability. The occupiers esp. anchor, working on their terms.
- Also, the draw/requirement of Primark appears to have waned somewhat over the last 12 months or so although they are 'there to be persuaded'. Tom Cullen at Colliers acting for Primark. Halifax has come off their requirement list, but could go back on.
- DT suggested Debenhams may be the alternative anchor, but about to open in Bradford and suggestion is that they would want to see how that operates before committing to a nearby centre such as Halifax, too.
- DH indicated that may be worth Calderdale Council trying to find funds to demolish the building might be a good thing to do in order to de-risk the opportunity further.
- DH stated there was a disconnection between the timing for delivery (say at least 2 years) and the timing at which the retailers take decisions (much shorter timescales). Reckons none of them could take a view because the opportunity is so marginal. Intimation there that the Council may consider direct development as an option in order to de-risk even further...?
- DH reckoned trying to assemble a bigger site (i.e. with bus station and post office) was not a good idea – would actively discourage it. Scale of Northgate House opportunity



itself proving to be potentially too big for the market, and adding complexity by adding more landowners would turn off the market even more given how marginal Northgate House is proving to be.

Meeting / File Title: Nick Holdsworth (NH) of OCR meeting

Date: 9 July 2014

Ref: 05B403815

Meeting Attendees: NH, Dai Powell (DP)

Circulation: Project team

**Subject / Notes**      **Halifax Market discussion – local perspective**

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- **Very retail focussed.**
- Halifax: built a side of hill - have to complete with topography. How do you overcome gradients in terms of masterplanning / sight-lines etc.?
- Severe ring road – confines and constrains the town centre.
- Talked about OCR's **Westgate Arcade** as a great success story and possibly a model in terms of appealing to local/niche retailers. Joint scheme with Yorkshire Forward Calderdale and OCR. Never been less than 96% occupied – real local retailer interest. Have a couple of anchors then 90% of interest from local retailers. Have had a big influx from Piece Hall renovation and hope to continue to be a popular arcade once it re-opens.
- **Borough market.** Has a huge dilaps liability but feels its potential could be maximised (e.g. visibility, upper floors). Feels it is not fully utilised/managed well and is integral to success of Halifax. Offered to take over the running/management.
- **Highways:** pedestrianisation could be extended.
- Progress in **valley bottom** in large format retail offer over the last 10 years, feels there is potential for more.
- Overall, feels the town has a **poor offer of retail**. Under-represented by multiples. Mentioned that Halifax doesn't have a Poundworld as they cannot find the right site/building/space.
- Pressure on town centre to expand. Opportunities for this change are for large floorplate retailers at Northgate and Horton Street site. I.e., supports dumbbell approach – heavyweight opportunities at either end.
- NH had a lot of focus though on reuse/improvement/maximising existing buildings.
- E.g. high quality residential flats in upper floors (used Westgate Arcade as an example), where he has had no problem at all letting them. Finishing c. 2-3 residential units on line every month high demand for good quality at affordable price for people who want to live in town and walk to work at the bank/Dean Clough.



- Felt the compactness of Halifax is very convenient.
- Talked about the idea of resident/business associations (e.g. New West End Company). Trying to do something similar with a Westgate Arcade Association – gives an identity/sense of ownership to a chunk of town.
- Could go further and create quarters – luxury quarter, for example, vis-à-vis West End Company. This could in turn attract higher value retailers and increase quality.
- Westgate Arcade seen as secondary achieving c. £29 psf rent on the retail.
- Biggest issue he perceives is sizing: i.e. retailers cannot get floorplates they want.
- Has a grand plan for expansion of Westgate Arcade. E.g. would like to see pedestrianisation of Union Street to Horton Street to create another High Street. Wants to get the Council's Adult Learning Centre under OCR's control to enable a comprehensive scheme around their existing ownerships.
- Touched briefly on **town centre office market**, but NH confessed to being no expert. Office market very weak in town centre. Occupiers will always be attracted to Dean Clough due to such a strong high quality offer. How can town centre compete or support – should it even try to?
- Gave the example of Southgate House which OCR sold it in 2007. 35,000 sq ft that has remained empty since sold despite marketing.
- Strong views that offices should not be the focus of the masterplanning exercise (unless the Council are the tenants).
- Dean Clough sold as something different – a village. Their public realm is very attractive.
- Some more **general comments**:
  - LBG absolutely instrumental to vibrancy of the town centre.
  - Lunchtime trade is very important.
  - Needs to not be disconnected.
  - Branding important – look a reviewing quarters idea.
  - Feels that a leisure centre is a good idea. Can this be in town centre to improve 'whole-day' offer?



- Health. Orange box was a great idea. Positive feedback from lot of young people. But not pushed hard enough. Definitely a good idea.
  - New/refurbished housing/apartments needs to be aimed Lloyds and Dean Clough: therefore needs to be high quality. Apartments for people who would live and work in town. Could be good demand as demonstrated by his refurbs above Westgate Arcade.
  - Salter Hebble road issues: i.e. the major highways issue is away from the town centre and something could be done around narrowing of roads from M62 via Ainley Top.
  - Advantage of the town is its architecture.
  - Flats in valley bottom could work.
  - No demand for offices in town centre.
  - Extending pedestrian zones.
  - Connections between train station and town centre need to be better.
  - Royal London site could be a very big draw.
- DP's general feeling was that NH keen to 'sell' OCR rather than focus replies more generally on what Halifax needs to do to improve its offer. Lots of name drops for OCR's schemes and projects that he wants to be involved with (e.g. Royal London site). However, clearly very knowledgeable and most of his responses back up what other developers and agents have said.

## Meeting / File Title:

Combined notes of meeting with Richard Tovey (RT) of Gregory Group and Matthew Cormack (MC) of Yorvale – as per Dai Powell's email to project team of 20 June, 2014

Date: Various Ref: 05B403815

Meeting Attendees: RT, Dai Powell (DP) Circulation: Project team

## Subject / Notes Halifax market discussions with Gregory Group and Yorvale

I had a very useful hour or so with Richard Tovey (RT) from Gregory Group earlier in the week (18<sup>th</sup> June) and have today spoken to Matthew Cormack (MC) at Yorvale (20<sup>th</sup> June). I have a call outstanding to Paul Morris at SJS, as does Dale with Henry Boot. We have a call out to David Thompson at DTZ to discuss the Northgate House marketing exercise as well.

I've tried in the series of bullets below to summarise the thoughts of these developers:

### Office market

- RT would need to see a 50% pre-let before constructing the office element of Broadgate. Would need to get at least £15 psf and a high quality tenant (i.e., public sector, bank, insurance) to get the yield needed.
- RT Felt this was unlikely to happen given the lack of interest and may indeed look to get a new permission for retail.
- RT and MC said you can't underestimate the attraction of Dean Clough and Jeremy Hall's 'offer'. They both said this mops up much of the office market and because they can get space out to the market PDQ, it has an advantage versus a traditional pre-let opportunity.
- Headline rents for town set at Dean Clough - £15 psf.
- RT mentioned the "60,000 sq ft requirement that has now gone to Dean Clough" but that he envisaged such requirements being few and far between.
- Little indigenous small business demand – RT reckoned on there being up to 30,000 sq ft at most from small businesses at present.
- In terms of pavilion style own front door owner-occupier offices (re. potentially on Cripplegate), MC felt that this market had 'long-gone' and would need to secure £200 psf sale values (£15 psf and 7.5% yield equivalent) in order to create an attractive land value of c. £500,000 per acre. RT felt there may be a local market for such space, but at the very cheap end, say £100 psf sale value. Clearly, there would be a viability gap to cover at that level as I'd expect raw build costs alone to be over £100 psf.

### Non-food retail

- RT was looking at a 100,000 sq ft scheme on Northgate House including a 50,000 sq ft Primark. When in the market, he felt attracting the tenants for the other 50% of the scheme was proving very difficult – he said they were 'struggling on the balance'.



- RT feels that the Primark opportunity may be waning as they shift their attention to other centres, esp. into Europe.
- Suggestion was that Primark would pay £10-£11 psf, £15-£16 psf for the remainder – this would not deliver much if any land value.
- RT feels there is no out-of-town demand for ‘big-box’ retail.
- MC feels for retail to work, the developer would want to secure £14-£15 psf rent and a sub-7% yield.

### Leisure

- RT and MC feel Broad Gate has totally ‘mopped up’ the Leisure (i.e. theme restaurant/pub) demand in Halifax.
- Most are on 15 year leases paying around £20 psf.
- Gregory looking to sell the investment in the Autumn, and hoping to secure a 6% yield on the sale.

### General

- MC said the best way to make any form of regeneration fly at the moment is if a Council take leases – i.e. the yield strip concept.
- Speaking to a Property Finance team colleague of mine earlier in the week, he mentioned that there are lots of (primarily) pension funds looking for these guaranteed income stream deals – say for 25-30 years, cap and collar fixed uplifts – with the asset reverting back to the owner at no cost at the end of the term.
- RT mentioned the Dews Garage site and how/whether this could be incorporated into a development including the bus station, post office and Northgate House. What info does the Council hold on Dews?
- RT felt a car showroom or two might work on the Cripplegate site following the road improvements taking place – we have a view internally on rents, yields and development costs and that a car showroom or two could stack up commercially if a manufacturer or national franchise could be attracted as tenant. Whether this constitutes good regeneration is another question altogether!
- RT felt the Horton Street scheme would struggle to get off the ground, especially if based on getting Tesco’s on-site, given their current moratorium on land acquisition.
- RT felt that the hotel was trading well at Broad Gate but that, again, this has effectively mopped up demand in the town (in conjunction with other budget/chain hotel operators already present).
- RT felt there may be scope for housing development (townhouse-led, not really flats) in the valley bottom area – in the loop through Cripplegate, through to the other side of the station, concentrating commercial uses in the heart of the town centre.
- From experience at Broad Gate, when in the early days they were considering an element of flatted resi, RT suggested they had quite a bit of interest from investors for a modest amount of this form of resi, potentially built to rent in the private sector – for example for week-night accommodation for office workers at the bank.



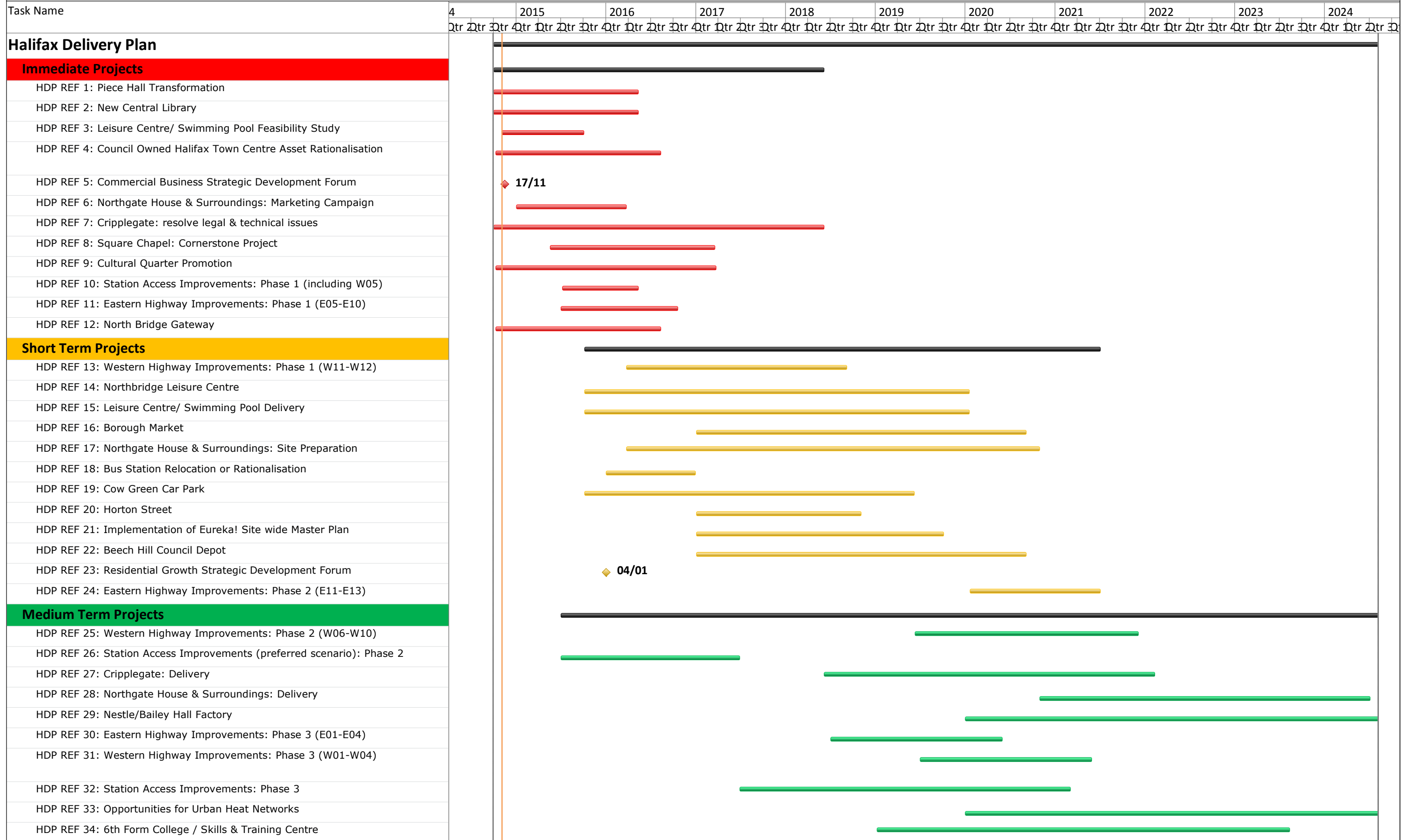
- RT feels the NHS facility at Broad Gate essentially 'mops-up' demand for a modern GP / medical centre offer for the town centre.



# Appendix C

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Delivery Programme





# Appendix D

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Risk Register

High	12 to 16
Medium	6 to 9
Low	1 to 4

Probability		Impact	
1	Very Unlikely	1	Very Low
2	Unlikely	2	low
3	Likely	3	Medium
4	Very Likely	4	High

RISK REGISTER									RISK RESPONSE	
Ref	Risk Type	Risk Description	Impact	Probability	Impact	Risk Level	Risk Raised by	Risk Owner	Mitigation strategy	Status
1	Demand	Failure to stimulate developer market	Reputational risk to the Council and Town stagnates	3	4	12	Delivery Plan	CMBC	1. Early and continued engagement with stakeholders and key developers 2. Preparation of a marketing document to highlight the key opportunities that Halifax has to offer 3. Developers to be selected on a project by project basis, marketing / tendering to target suitable developers.	Open
2	Site	Private landowners on key sites will not be willing to make their land available	Sites cannot be unlocked to fulfil the objectives.	3	4	12	Delivery Plan	CMBC	1. Ongoing discreet monitoring of land usage and acquisition. 2. Resolve to use Compulsory Purchase powers and seek private developer partners who can back any CPO action.	Open
3	People	There is a risk if support / confidence from Key Stakeholders decreases	Key Stakeholders become adversarial towards the changes being imposed resulting in projects not being delivered.	3	4	12	Delivery Plan	CMBC	1. Early and continued engagement and consultation	Open
4	Financial	Some land owners are unwilling to sell or have unrealistic value expectations	Would restrict the development of the Town	3	4	12	Delivery Plan	CMBC	1. Council to work in partnership with owners and developers to facilitate negotiations. 2. The Council to undertake CPO where this is appropriate	Open
5	Funding	There is a risk that Transport funding could be reduced.	A shortfall in transport funding would impact on the Councils ability to fully realise the interventions required in order to improve the Towns connectivity and unlock site potential for future development.	3	4	12	Delivery Plan	CMBC	1. Continued engagement with the Transport Fund Manager/ Team. Seek other sources of funding. 2. Emphasise the importance that the Gateway 1 submission for the A629 Town Centre Scheme is completed by March 2015 to ensure that funding from the WY+TF can be confirmed.	Open
6	Demand	Failure to deliver a greater retail offer / experience for visitors	Expenditure lost to other competing centres such as Leeds, Manchester and Huddersfield, accelerating the decline of the town centre.	2	4	8	Delivery Plan	CMBC	1. Incentivise development of the Norgate site by demolishing existing building to offset some of the capital costs 2. Undertake a marketing exercise to ascertain commercial viability of a new retail scheme 3. Improve transport connectivity around the town centre and establish strong signage to direct the flow of pedestrian traffic and make Halifax a prime destination for shoppers.	Open
7	Site	Site Contamination	Significant remedial works costs make sites unviable	2	3	6	Delivery Plan	CMBC	1. Undertake a remediation strategy of the site to firm-up costs and timescales. 2. The Council could facilitate the re-development of the Cripple gate site and others like it through business rate retention. Under the scheme the Council would be able borrow (using traditional Prudential Borrowing Route) against their income within the Business Rate Retention Scheme.	Open
8	Timescales	Programme and Project Plans show slippage against proposed timescales and targets.	Programme Efficiencies are not achieved	1	4	4	Delivery Plan	CMBC	1. A high level programme has been prepared to demonstrate project delivery timescales and interdependencies between projects 2. Robust Programme & Project Management arrangements together with governance arrangements to ensure that outcomes are monitored and objectives met.	Open
9	People	The future of skills and education to support and stimulate business growth not fully considered.	Skilled workforce could be lost to other competing towns leading to a brain drain effect on Halifax.	1	4	4	Delivery Plan	CMBC	1. Work with and support local businesses to understand their needs to continue to grow 2. Consider linking up with Universities or other educational institutions to offer Halifax as a satellite campus to develop skills and expertise already established within Halifax. 3. Maintain the high level of start-up businesses within Halifax	Open
10	Legal	Current car parking lease arrangements with Lloyds could prevent the release of the Cripplegate site for future development.	Council unable to unlock the sites potential in line with the vision of the Delivery Plan and objectives	1	4	4	Delivery Plan	CMBC	1. Understand legal arrangements with Lloyds 2. Negotiations required with Lloyds in terms of offering alternate car parking provision 3. Undertake an analysis of the towns car parking provision	Open
11	Demand	Heavy competition from other local Towns	Developers consider investment elsewhere	1	3	3	Delivery Plan	CMBC	1. Ongoing market analysis to determine a changing demand 2. Deploy a good marketing strategy to promote opportunities as widely as possible. 3. Build-upon the existing strengths of Halifax as Town	Open
12	Funding	Public realm improvements will be limited due to lack of public funding or lack of private development to generate the necessary funds.	Would restrict the development of the Town	1	2	2	Delivery Plan	CMBC	1. Prepare a funding strategy to ensure external funding opportunities are maximised.	Open
13	Site	Development constraints on Heritage Listing of buildings	The Council are left with listed buildings which are too costly to maintain or restore.	1	2	2	Delivery Plan	CMBC	1. Rationalise existing stock of heritage listed buildings and seek permission to delist where this is appropriate 2. Assess each building on its own merit to understand its value and condition 3. Use of design codes to control development	Open