

Summary Market Assessment



Bedworth Market Feasibility Study

Nuneaton & Bedworth Borough Council

October 2023

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1 Introduction

- 1.1 As part of a multi-disciplinary team including Broadway Maylan and Gleeds, AspinallVerdi have been instructed by Nuneaton & Bedworth Borough Council to undertake a feasibility study to test a number of options for the redevelopment of Bedworth Indoor Market. The work produced by the consultancy team will support the Council in identifying an overarching vision for the future of the Bedworth Indoor Market.
- 1.2 The purpose of the feasibility study is to identify the most suitable option for the redevelopment of the existing Bedworth Indoor market. This currently includes the following:
- Option1 - Refurbishment of the existing market - including increasing the number of units and providing the potential for amenity / event space
 - Option 2 - Relocation of the existing indoor market to 2-4 All Saints Square. If this option is pursued, we have also considered the following sub options;
 - Redevelopment of the existing buildings to provide a market at ground floor level with residential accommodation provided above
 - Redevelopment of the existing buildings to provide incubation units
 - Redevelopment of the existing buildings to provide market space only
- 1.3 This report considers the financial viability of the development options prepared by Broadway Maylan for the redevelopment of the existing indoor Bedworth Market and possible redevelopment of the buildings at 2-4 All Saints Square. Our viability testing follows on from our Market Summary Report, Broadway Maylan's Feasibility Study and Gleeds' Cost Report.
- 1.4 The development appraisals have been undertaken to provide a high-level view of the development options and uses included within them. Please note that this testing has not been undertaken to provide a detailed financial understanding of the proposed development, as the designs, costs and delivery strategies have not been worked up to a sufficient level of detail. We have relied on Feasibility Report has been undertaken by Broadway Malyan to test a number of alternative options for the two sites. We reference these as follows:
- Refurbishment of Existing Indoor Market
 - 2-4 All Saints Square Redevelopment
- 1.5 For the redevelopment options, we have undertaken development appraisals and accompanying sensitivity analysis to demonstrate how the viability would change in response to changes in the market. For the refurbishment options, we have considered the cost of the various refurbishment options, in addition to the potential income stream which the Council may benefit from if each option is pursued.

Approach

- 1.1 The options tested comprise a number of high-level assumptions in respect of unit numbers, types of uses and overall floorspaces. AspinallVerdi have worked collaboratively with Broadway Malyan, Gleeds and the Council to ensure that the options tested reflect the desired density and quality of development which is sought by the Council. The options tested have been decided following discussions with the Council on their most preferable option from the Broadway Malyan Feasibility Study. The appraisals have not been based on fully drawn up schemes but on high level capacity testing.
- 1.2 Our initial appraisals have been undertaken on a residual land value basis. This is a traditional method used to test the viability of new development which assumes that scheme proposals will be built out and then the resulting development is sold.
- 1.3 The adopted method of appraisal is used to determine whether a developer is likely to deliver the buildings and uses proposed. It shows whether the proposed development can cover the costs associated with it and can generate an appropriate return to encourage them to proceed with the scheme or whether there is a viability gap (i.e., a deficit) that needs to be bridged.
- 1.4 Notably, this approach assumes that the developer sells on the asset or assets on completion of construction. It does not show the revenue / income generated over a period of time by the scheme i.e. if a party decided to retain certain income producing uses. Instead, the residual method simply involves establishing the value of the scheme at the point at which it is sold and deducting costs and profits from the achieved value.
- 1.5 The value included in the appraisals is the Gross Development Value (GDV). This is the total value of the development at the point of sale. In the case of the development options, this includes the sale of residential units and the capitalised values of commercial units, including the market stalls.
- 1.6 Costs are then deducted from the GDV. This includes construction costs and associated professional and marketing fees for both residential and commercial elements (Indoor Market at 2-4 All Saints Square). The appraisals also include disposal costs, as well as any allowances for tenant incentives, profit and finance costs. We have not included the land value for the existing sites in the appraisals at this stage; This is due to the fact they are Council owned. The costs in our appraisals are based on the following:
 - Gleeds Bedworth Market Order of Cost (Appendix 2)
 - Nuneaton and Bedworth Local Plan Viability Assessment
 - Standard industry used assumptions

- 1.7 Once costs and profit are deducted from the GDV, the resulting sum is known as the residual. If this is less than £0 then the scheme is considered unviable. If the residual is greater than £0 however, the scheme is deemed viable. As both the existing indoor market and 2-4 All Saints Square are currently in the Council's ownership, we have not included any land acquisition costs within our appraisals. This approach also assists in improving the viability for each option.
- 1.8 The Planning Practice Guidance on Viability (2019) suggests that testing should be evidence-based and reflect the current market. This means that costs and values should be based on what can be achieved in the local market at the time of testing rather than attempting to forecast what could occur in the future. However, to assist any decision making, we have also undertaken sensitivity analyses of each development option to show how circumstances could change.

2 Appraisal Inputs

- 2.1 In this section, we set out the assumptions adopted in our appraisals. We first set out the inputs which are common across all scenarios tested, before detailing the individual assumptions unique to each of the options and uses included therein.
- 2.2 As set out in the previous chapter, the appraisals provide a high-level assessment of the financial metrics of each option at the present stage of development / refinement. The assumptions adopted at this stage may therefore be subject to change as further details are developed and more thorough investigations are undertaken.

Common Inputs

- 2.3 Table 2.1 details the input assumptions common across both appraisals. We have given regard to the Local Plan Viability Assessment produced by Dixon Searle Partnership in September 2020 for several generic assumptions, i.e., Professional Fees, Contingency etc.

Table 2.1 – Common Appraisal Inputs

Component	Input	Comments / Justification
Contingency	10.0%	Gleeds Order of Costs
Professional Fees	10.0% of build costs	Whole Plan assumption
Marketing / Sales	3.0% of GDV	Whole Plan assumption
Residential Legal Fees	£750 per unit	Whole Plan assumption
Investment Agent	1.0%	Standard assumption
Investment Legal	0.5%	Standard assumption
Commercial Letting Agent	10.0% of annual rent	Standard assumption
Commercial Letting Legal	5.0% of annual rent	Standard assumption
S106 Costs	£3,000 per residential unit	Whole Plan assumption
CIL	£80 per sqm on residential	CIL Charging Schedule rate
Profit	Market Residential – 17.5% on GDV Affordable Residential – 6.0% on GDV Commercial – 20% on GDV	Whole Plan assumption

Finance	6.0% debit	Whole Plan assumption.
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Sources: See references.

- 2.4 We have adopted construction costs that are set out in the Order of Cost Estimate which has been provided by Gleeds and appended to this report. Within the cost estimate, Gleeds have provided an individual order of cost for each of the options identified in the Feasibility Study produced by Broadway Malyan.
- 2.5 For the residential units in Option 4, Flexible Space with Apartments, the income has been modelled to assume an off-plan sales period where 25% of the private dwellings are sold prior to practical completion. The remaining 75% of units are then distributed across the sales period.
- 2.6 For proposed the flexible unit (Indoor Market) at 2-4 All Saints Square, it is assumed that the unit will be acquired in the first month following practical completion.

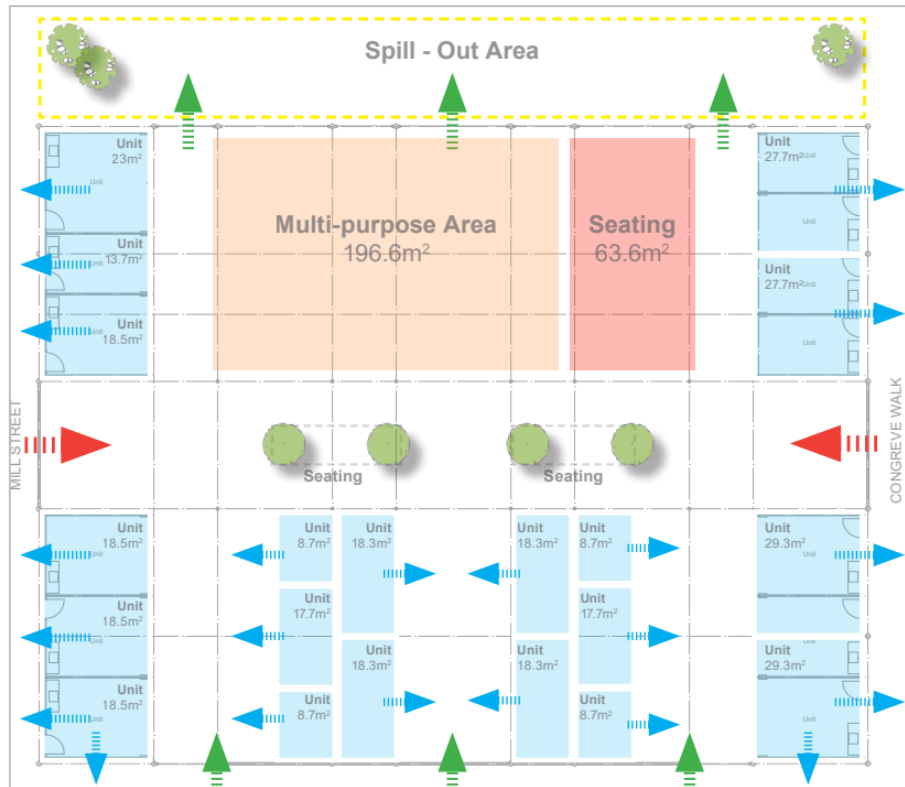
3 Refurbishment of the Existing Indoor Market

- 3.1 We have initially considered the option of refurbishing the existing Bedworth Market. This option has been drawn by Broadway Malyan into 5no. different layouts. Gleeds have provided an individual total cost for each of the 5no. layout options. Details of the different layout options are shown in the subsections below.
- 3.2 Based on the analysis in our Market Report Summary (See Appendix 1), we have calculated the potential incomes that each of the options could generate. For each option we have assumed that the rents achievable for the individual lock up / permanent units could range from £17.50 psf to £20.00 psf. The level of income that we have calculated for each option is therefore based on the size and number of each individual unit / market stall in each option. We have cross referenced this by considering the income that the Council currently receives from the existing Indoor Market. In total, the Council currently receives approximately £72,184 per annum (£45,627 for the lock-up units & £26,557 for the casual market stalls).
- 3.3 As part of our assessment, we have not attributed a value to the multi-purpose areas in each option or the pop-stall areas or the space outside the market itself. This is because it is not yet known whether events would be run by the Council or external operators who may pay a fee to rent the space out. However, it will be an additional source of income that the Council will be able to receive in addition to the revenue that will be generated by the market stalls / units should there be external interest in the events space.

Option 1

- 3.4 Option 1 for the Refurbishment of the Existing Indoor Market contains:
- 20no. individual units / market stalls,
 - Multi-purpose area (measuring 2,116 sqft / 196.6 sqm)
 - Designated seating area (measuring 684 sqft / 63.6 sqm)
 - Spill out area.
- 3.5 The layout of this option can be seen in Figure 3.1.

Figure 3.1 - Refurbishment Option 1



Source: Broadway Malyan, 2023.

- 3.6 As can be seen in Figure 3.1, this option includes 10no. larger units ranging from 150 sqft / 13.9 sqm – 315 sqft / 29.3 sqm, and 10no. smaller units ranging from 87 sqft / 8.1 sqm -197 sqft / 18.3 sqm.
- 3.7 Gleeds have provided a cost estimation of £1,498,000 (£107 psf) that would be required for Option 1.
- 3.8 Based on our analysis and understanding of the income generated by the existing Indoor Market, we are of the opinion that Option 1 could generate a potential income of between £73,000 to £83,000 per annum for the market units. We note that this does not include any possible income that will be generated by the multi-purpose area / spill-out area.

Option 2

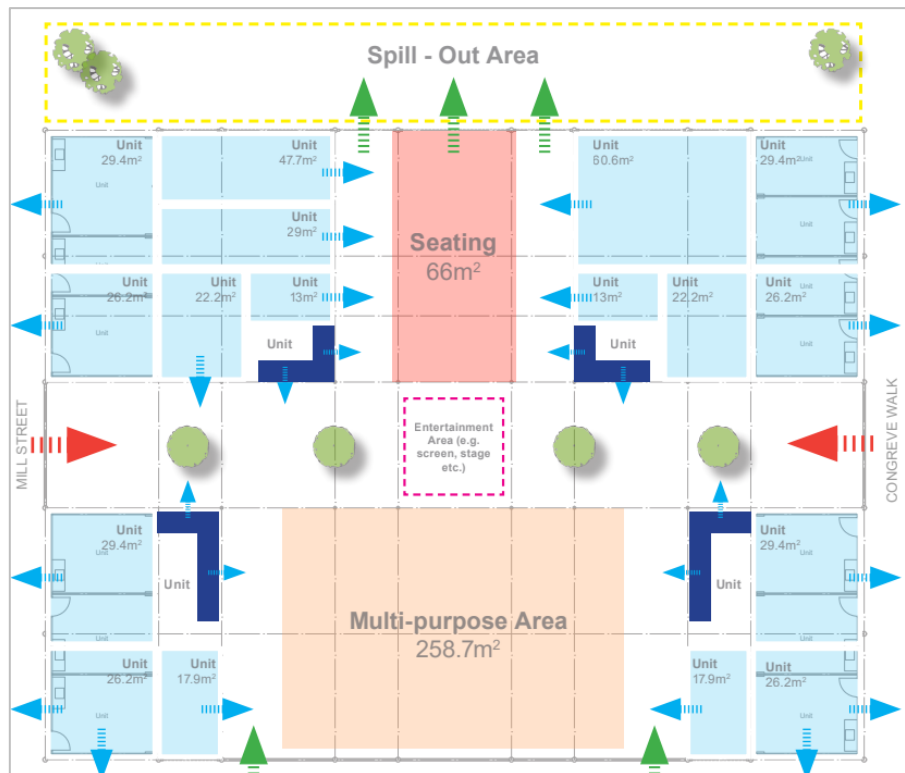
3.9 Option 2 for the Refurbishment of the Existing Indoor Market includes:

- 17no. individual units / market stalls with varied access points

- 4no. standing centre units
- Multi-purpose area measuring 2,784 sqft / 258.7 sqm
- Designated seating area measuring 710 sqft / 66 sqm
- Entertainment area (designed for a screen / stage)
- Spill out area.

3.10 The layout of this option can be seen in Figure 3.2.

Figure 3.2 - Refurbishment Option 2



Source: Broadway Malyan, 2023.

- 3.11 The 17no. individual units / market stalls range in size from 140 sqft / 13 sqm to 652 sqft / 60.6 sqm.
- 3.12 Gleeds have provided a cost estimation of £1,823,000 (£130 psf) that would be required for the refurbishment of the market to Option 2.
- 3.13 Based on our analysis and understanding of the income generated by the existing Indoor Market, we are of the opinion that Option 2 may be able to generate an income in the region of £81,000 to £92,000 per annum. We note that this does not include any income that could be generated from the 4no. casual market stands, multi-purpose area and spill out area.

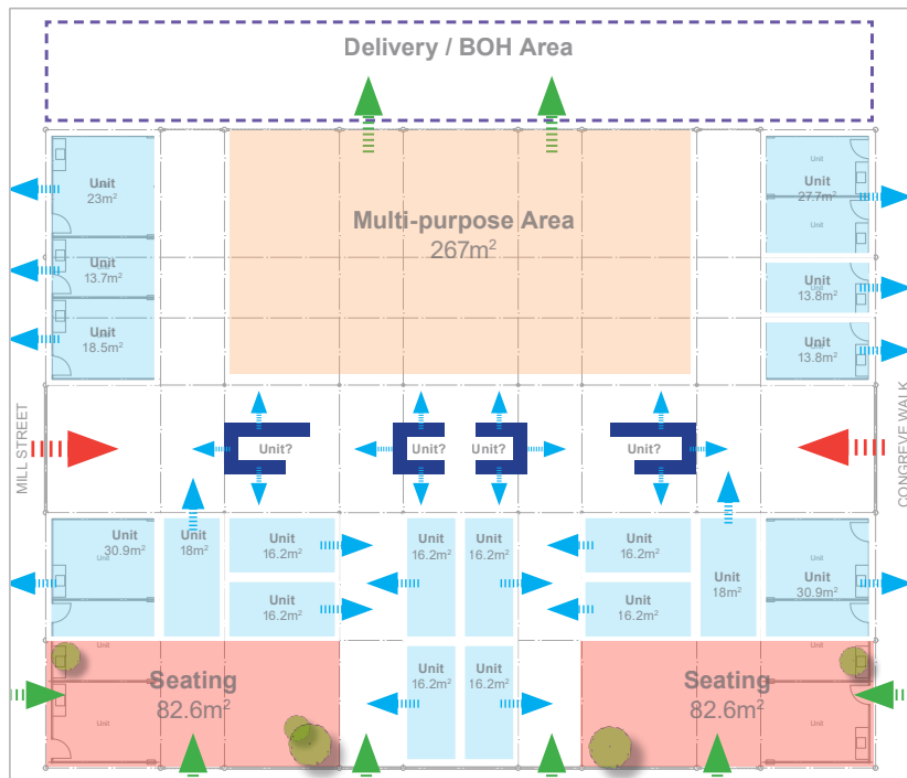
Option 3

3.14 Option 3 for the Refurbishment of the Existing Indoor Market includes:

- 18no. individual units / market stalls with varied access points
- 4no. standing centre units
- Multi-purpose area measuring 2,874 sqft / 267 sqm
- 2no. designated seating areas measuring 889 sqft / 82.6 sqm each
- Back of House (BOH) / delivery area

3.15 The layout of this option can be seen in Figure 3.3.

Figure 3.3 - Refurbishment Option 3



Source: Broadway Malyan, 2023.

- 3.16 The 18no. individual units / market stalls range in size from 147 sqft / 13.7 sqm to 333 sqft / 30.9 sqm.
- 3.17 Gleeds have provided a cost estimation of £1,538,000 (£110 psf) that would be required for the refurbishment of the market to Option 3.
- 3.18 We are of the opinion that Option 3 may be able to generate an income in the region of £60,000 to £69,000 per annum. We note that this does not include an allowance for the standing centre units and the multi-purpose area.

Option 4

3.19 Option 4 for the Refurbishment of the Existing Indoor Market includes:

- 20no. individual units / market stalls with varied access points
- 4no. standing centre units
- 3no. 'pop up' stall areas
- Multi-purpose area measuring 1,744 sqft / 162 sqm
- Designated seating area measuring 750 sqft / 69.7 sqm
- Spill out area.

3.20 The layout of this option can be seen in Figure 3.4.

Figure 3.4 - Refurbishment Option 4



Source: Broadway Malyan, 2023.

3.21 The 20no. individual units / market stalls are made up of 4no. units measuring 348 sqft / 32.3 sqm and 16no. units measuring 174 sqft / 16.2 sqm.

3.22 Gleeds have provided a cost estimation of £1,569,000 (£112 psf) that would be required for the refurbishment of the market to Option 4.

3.23 We are of the opinion that Option 4 could generate a potential income of between £63,000 to £72,000 per annum for the individual units. This does not include an allowance for any income that could be generated from the pop-up areas, standing centre units, multi-purpose area or spill-out area.

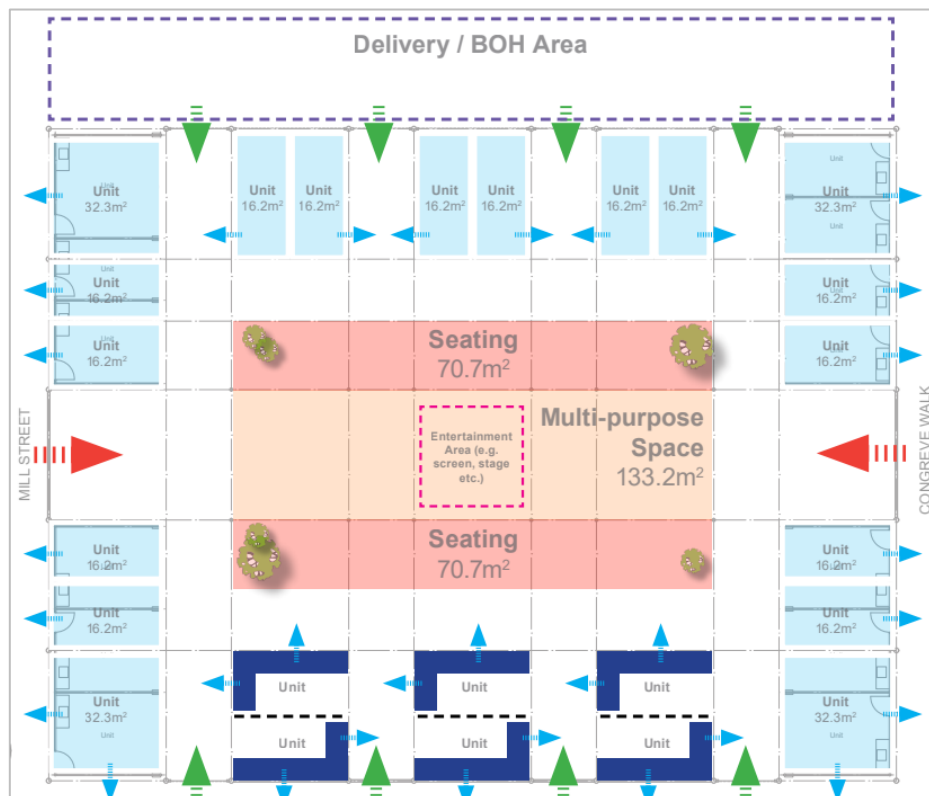
Option 5

3.24 Option 5 for the Refurbishment of the Existing Indoor Market includes:

- 18no. individual units / market stalls with varied access points
- 6no. flexible units
- Central multi-purpose area measuring 1,434 sqft / 133.2 sqm
- 2no. designated seating area measuring 761 sqft / 70.7 sqm
- Back Of House (BOH) / delivery area.

3.25 The layout of this option can be seen in Figure 3.5.

Figure 3.5 - Refurbishment Option 5



Source: Broadway Malyan, 2023.

3.26 The 18no. individual units / market stalls are made up of 4no. units measuring 348 sqft / 32.3 sqm and 14no. units measuring 174 sqft / 16.2 sqm.

- 3.27 Gleeds have provided a cost estimation of £1,718,000 (£123 psf) that would be required for the refurbishment of the market to Option 5.
- 3.28 We are of the opinion that Option 5 could generate an income of between £55,000 and £64,000 per annum for individual units. We note that this does not include an allowance for any income that could be received from the 6no. flexible units and the multi-purpose space.

Summary

- 3.29 Overall, each of the renovation options provide an improvement to the existing indoor market and the different options being proposed all include a designated event space area. As part of our assessment, we have not attributed a value to this space, given that it is not yet known whether events would be run by the Council or external operators who may pay a fee to rent the space out. However, it may be an additional source of income that the Council will be able to receive, in addition to the revenue that will be generated by the individual lock-up / permanent units, should there be external interest in the events space.
- 3.30 We again note that we have not attributed values to the pop up stalls included with some of the options due to their flexibility and the fact they also may have variable usability depending on the intensity of the use of the events space. However, it is likely these units will generate an additional income stream for the Council.
- 3.31 Table 3.1 summarises the cost of each of the different options for the renovation of the existing market and the potential incomes that could be received. We again note that these potential incomes do not include an allowance for the multi-purpose event space that is included in each option and the flexible space. In the table below we have allowed for UK Shared Prosperity Funding (UKSPF) of £716,816, and therefore column three in the table below the funding gap that will need to be bridged in order for the refurbishment works to be undertaken in each option.

Table 3.1 - Summary of Options for Renovation of Existing Market

Option	Gleeds Renovation Cost Estimate	Funding Gap with UKSPF Funding Included	Potential Income
Option 1	£1,498,000 / £1,151 per sqm	£781,816	£73,000 - £83,000
Option 2	£1,823,000 / £1,400 per sqm	£1,106,816	£81,000 - £92,000
Option 3	£1,538,000 / £1,181 per sqm	£821,816	£60,000 - £69,000

Option 4	£1,569,000 / £1,205 per sqm	£852,816	£63,000 - £72,000
Option 5	£1,718,000 / £1,320 per sqm	£1,001,816	£55,000 - £63,000

Source: Gleeds & AVL, 2023.

4 2 – 4 All Saints Square – Flexible Space with Apartments

- 4.1 We have undertaken appraisals to test the possible redevelopment of 2 – 4 All Saints Square for flexible commercial space on the ground floor with a mix of 1, 2 and 3-bed apartments above. We have based this on Option 4 within the Broadway Maylan Feasibility Study, as agreed with the Council. The layout of this scheme is shown in Figure 4.1.

Figure 4.1 - 2 - 4 All Saints Square Flexible Space with Apartments Layout



Source: Broadway Malyan, 2023.

- 4.2 Table 4.1 sets out the additional inputs assumed for the possible redevelopment of 2 – 4 All Saints Square.

Table 4.1 - 2 – 4 All Saints Square Flexible Space with Apartments Appraisal Inputs

Component	Input	Size	Comments / Justification
Market Residential	1-bed = £160,000	538 sqft / unit	AV Property Market Report Aug 2023 (Residential Sales Values)
	2-bed = £190,000	753 sqft / unit	
	3-bed = £210,000	1,001 sqft / unit	
Flexible Space / Indoor Market	£20 psf / 10% yield	4,424 sqft	AV Market Report (Sep 2023)
UK Shared Prosperity Fund	£716,184	-	Council has UKSPF available
Construction Costs	£4,519,572 / £3,046 sqm	15,971 sqft	Gleeds, 2023 (includes 10% contingency)

BCIS	Construction	£625,953 / £1,523	4,424 sqft	Median Rate – Shops
Costs		sqm	11,647 sqft	(Generally)
		£1,698,166 / £1,583		Median Rate – Flats (1-2
		sqm		storeys)

Source: AspinallVerdi, September 2023.

- 4.3 The scheme tested involves the development of 11no. units, which include a mix of 1, 2 and 3-bed apartments. This scheme therefore does not trigger the Council's affordable housing target of 25% on developments consisting of 15 or more dwellings. We have therefore assumed all the units at the scheme will be delivered as market sale.
- 4.4 We have also included the £716,184 of UK Shared Prosperity Fund (UKSPF) that the Council currently has within our appraisals. Including this figure within our appraisals helps improve the viability of the scheme.
- 4.5 We have assumed this scheme will be developed over the following phases / timescales:
- Pre-construction: 9-months
 - Construction: 12-months
 - Sales: 5-months (25% of units sold off plan)

Appraisal Outputs

- 4.6 The subsections below set out the appraisals that have been undertaken in respect of the proposed redevelopment option to 2-4 All Saints Square. For each appraisal, we have undertaken a sensitivity analysis to show the impact of variable cost and value inputs.

Appraisal 1 – Gleeds Cost Estimate

- 4.7 This appraisal which comprises the Gleeds Order of Cost Estimate generated a deficit of - **£2,060,765**.
- 4.8 For the purpose of our appraisal, we have assumed a capitalised value for the flexible unit / indoor market of £884,800. We have assumed that this will be disposed of in the first month of the sale period. We again note that in reality, the Council will retain this unit and continue to operate the indoor market with casual traders on market stalls / incubation units.
- 4.9 We have undertaken a sensitivity analysis to demonstrate the impact of variable cost and value inputs on the outcome of the appraisal, as shown in Table 4.2. The cell highlighted blue shows the base scenario (i.e. without adjustments).

Table 4.2 - Redevelopment of 2 - 4 All Saints Square Appraisal 1 Sensitivity Analysis

Sales Values	Construction: Gross Cost					
		-30.00%	-15.00%	0.00%	15.00%	30.00%
	-30.00%	-£1,024,290	-£1,804,021	-£2,584,038	-£3,364,349	-£4,144,660
	-15.00%	-£762,653	-£1,542,385	-£2,322,402	-£3,102,712	-£3,883,023
	0.00%	-£501,017	-£1,280,749	-£2,060,765	-£2,841,076	-£3,621,387
	15.00%	-£239,381	-£1,019,112	-£1,799,129	-£2,579,440	-£3,359,751
	30.00%	£21,594	-£757,476	-£1,537,493	-£2,317,804	-£3,098,114

Source: AspinallVerdi, 2023.

- 4.10 The sensitivity analysis shows that, with fairly significant improvements to the cost and value inputs (i.e. +/- 30%), a surplus of £21,594 is produced (highlighted green). Conversely, if sales values were to fall by 30%, and costs increase by the same margin, the scheme produces a greater deficit of £4,144,660 (highlighted red).

Appraisal 2 – BCIS Costs

- 4.11 To further test the viability of the proposed scheme, we have subsequently undertaken an appraisal which adopts a BCIS Median rate for the construction costs of the apartments and flexible unit, in addition to the demolition cost that was set out by Gleeds in their Order of Cost Estimate (i.e. £187,320 exclusive of contingency). These costs amount to a total of £2,762,583 (inclusive of 10% contingency allowance). All other assumptions are the same as in Appraisal 1.
- 4.12 The outcome of this appraisal still shows the option to be unviable, but generating a minor deficit of **-£39,815**.
- 4.13 We have also undertaken a sensitivity analysis to demonstrate the impact of variable cost and value inputs on the outcome of this appraisal, as shown in Table 4.3. The cell highlighted blue shows the base scenario (i.e. without adjustments).

Table 4.3 - Redevelopment of 2 - 4 All Saints Square Appraisal 2 Sensitivity Analysis

Sales Values	Construction: Gross Cost					
		-2.00%	-1.00%	0.00%	1.00%	2.00%
	-2.000%	-£11,286	-£42,903	-£74,554	-£106,328	-£138,102
	-1.000%	£6,037	-£25,550	-£57,168	-£88,886	-£120,660
	0.000%	£23,304	-£8,197	-£39,815	-£71,444	-£103,218
	1.000%	£40,570	£9,110	-£22,462	-£54,079	-£85,775
	2.000%	£57,837	£26,377	-£5,109	-£36,726	-£68,344

Source: AspinallVerdi, 2023.

- 4.14 The sensitivity analysis shows that, with minor improvements to the cost and value inputs (i.e. +/- 2%), a surplus of £57,837 is produced (highlighted green). Conversely, if sales were to fall by 2%, and costs increase by the same margin, the scheme produces a greater deficit of £138,102 (highlighted red). However, we again note that the costs within this appraisal do not take into consideration the demolition works that would be required.

Summary

- 4.15 As set out above, we have undertaken two appraisals for this option. The first appraisal has been undertaken in line with the costs recommended by Gleeds in their Order of Cost Estimate. The second appraisal has been undertaken in line with BCIS Median Costs in order to highlight the impact of variable costs on the scheme.
- 4.16 Table 4.4 below compares the differences in viability between the two different appraisals for the redevelopment of 2 – 4 All Saints Square.

Table 4.4 - Redevelopment of 2 - 4 All Saints Square Appraisals Summary

Appraisal	Scenario	Surplus / Deficit
Appraisal 1	Gleeds Costs	-£2,060,765
Appraisal 2	BCIS Costs	-£39,815

Source: AspinallVerdi, 2023.

- 4.17 The appraisals show that scenarios which include both the Gleeds Order of Cost Estimate and BCIS Cost Data for the redevelopment of 2 – 4 All Saints Square are unviable. We have also undertaken a sensitivity analysis for each appraisal, which showed the level of changes in costs and values that would be required for this option to become viable in either scenario.
- 4.18 We again note that for the purpose of our appraisal, we have assumed a capitalised value for the flexible unit / indoor market of £884,800. We have assumed that the unit will be disposed of in the first month of the sale period. In reality, the Council will retain this unit and continue to operate the indoor market with casual traders on market stalls / incubation units. If a capitalised value for the flexible unit / indoor market was not included in our appraisals, then the deficit generated by each appraisal would be further exacerbated.
- 4.19 We also note that these appraisals both also include the £716,184 of UKSPF that the Council currently has. If this funding was not included, then the deficits generated would be further exacerbated.
- 4.20 There are limitations with using BCIS Cost data, whereby BCIS data is not site specific and will often not reflect current market conditions the same way that a full cost plan produced by a Quantity Surveyor (QS) will. However, we have undertaken this appraisal to highlight the impact

of the scheme potentially being delivered by a housebuilder who, using their own suppliers / monopolies of scale may be able to deliver the scheme at a level below that set out in the Gleeds Order of Cost Estimate.

5 2 – 4 All Saints Square – Incubation Units

- 5.1 We have also looked at the possible redevelopment of 2 – 4 All Saints Square to a development of incubation units. This option has been drawn up by Broadway Malyan and the proposed layout can be seen in Figure 4.1.

Figure 5.1 - 2 - 4 All Saints Square Incubation Units Layout



Source: Broadway Malyan, 2023.

- 5.2 The proposed layout that can be seen in Figure 5.1 involves the provision of 6no. incubation units.
- 5.3 Gleeds have provided a cost estimate of £1,641,000 / £3,713 per sqm within their Order of Cost Estimate for this option.
- 5.4 Based off our Market Report, we are of the opinion that each of the incubation units could achieve an annual rent of between £14,123 / £17.50 psf to £18,158 / £22.50 psf per unit. This would result in a total rent of between £84,738 to £108,945 per annum that could be achieved for this option.

5.5 We summarise the costs and potential revenue to achieve in Table 5.1 below. In the table below we have allowed for UK Shared Prosperity Funding (UKSPF) of £716,816, and therefore column three in the table shows the funding gap that will need to be bridged in order for the refurbishment works to be undertaken in each option.

5.6

Table 5.1 - 2 - 4 All Saints Square Incubation Units Option

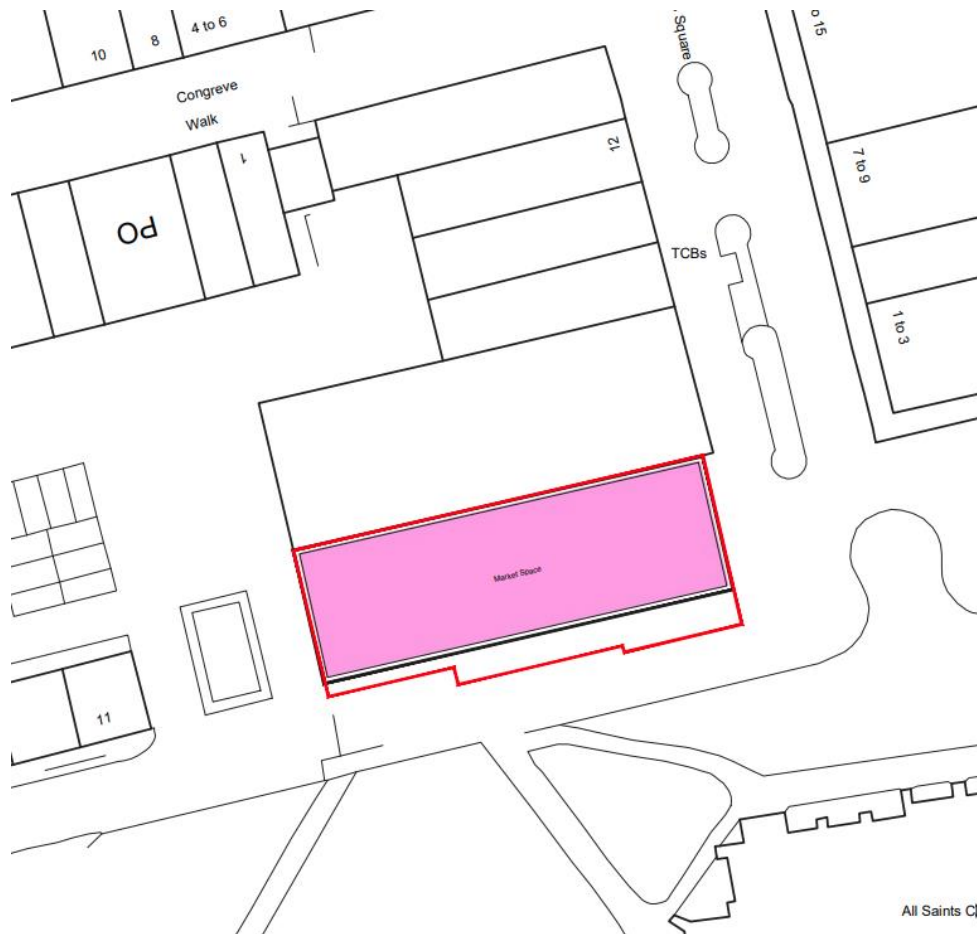
Option	Gleeds Renovation Cost Estimate	Funding Gap with UKSPF Funding Included	Potential Income
Incubation Units	£1,641,000 / £3,713 per sqm	£924,816	£85,000 - £109,000 per annum

Source: AspinallVerdi & Gleeds, 2023.

6 2 – 4 All Saints Square – Market Space

- 6.1 We have also assessed the option of moving the market space to 2-4 All Saints Square. The layout of this option, drawn by Broadway Malyan can be seen in Figure 6.1.

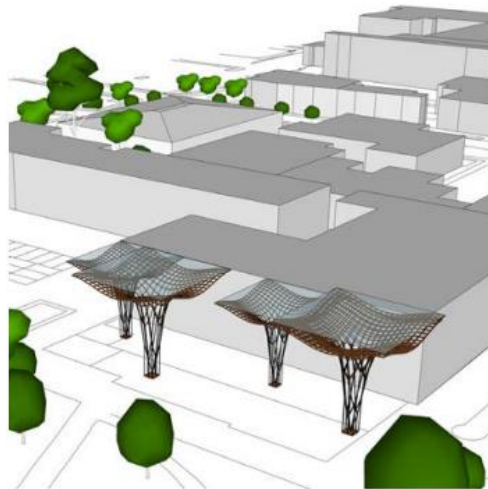
Figure 6.1 - 2 - 4 All Saints Square Market Space Layout



Source: Broadway Malyan, 2023.

- 6.2 Broadway Malyan have also drawn several different canopy options to cover the market space. These canopy options all have different costs associated with them, which have been estimated by Gleeds in their Order of Cost Estimate. The different canopy options can be seen in Figure 6.2 with the costs associated for each canopy option summarised in Table 6.1.

Figure 6.2 - 2 - 4 All Saints Square Market Space Canopy Options



Option 1: Umbrella Canopies



Option 2: Long pitched roofs



Option 3: Single pitched roof



Option 4: Asymmetric roof profiles

Source: Broadway Malyan, 2023.

Table 6.1 - 2 - 4 All Saints Square Market Space Costs

Option	Gleeds Renovation Cost Estimate	Funding Gap with UKSPF Funding Included
Umbrella Canopies	£1,258,000 / £2,846 sqm	£541,816

Long Pitched Roofs	£1,020,000 / £2,308 sqm	£303,816
Single Pitched Roof	£1,143,000 / £2,586 sqm	£426,816
Asymmetric Roof Profiles	£1,418,000 / £3,208 sqm	£701,816

Source: Gleeds, 2023.

- 6.3 We note that this option does not include any permanent lock up units / stalls. As such, at this stage we have assumed an annual rent that could be achieved from this market option, with casual traders occupying the space. We are of the opinion that the income that could be generated per annum could range from £60,546 (£12.50 psf) to £96,875 (£20.00 psf), depending on the amount of lock up units / stalls that could be included and which canopy option is chosen.

7 Conclusion

- 7.1 In the preceding sections of this report, we have assessed each of the possible options for the existing Indoor Bedworth Market and also the possibility of a redevelopment to 2 – 4 All Saints Square. We have set out the cost and value assumptions that we have adopted within our development appraisals. We have tested the viability in the terms of a traditional developer route for each of the options and different scenarios.
- 7.2 Based on our high-level testing, we would recommend that the most viable / preferable option for the Council would be to renovate the existing Bedworth Indoor Market. There are several options in terms of design that could be pursued, however incorporating event / multi-purpose space should allow the Council to receive an additional income to what would be received by having renovated units / market stalls. We also note that within our potential income figures, we have not included an allowance for the flexible market stalls or multi-purpose space. This will be another additional income that the Council should be able to receive.
- 7.3 We would recommend that the Council continues to monitor potential opportunities to renovate / redevelop the existing 2-4 All Saints Square. The renovation of the existing indoor market and inclusion of event / multi-purpose space may increase footfall, this may therefore increase demand for the amenities surrounding the market. However, as this report has identified, any redevelopment is likely to have highly challenging viability associated with it. This is mainly due to the dramatic construction cost inflation over recent years and also the nature of the building. The current building at 2 – 4 All Saints Square is former bank, this therefore makes it relatively difficult to redevelop. In addition to this, given the existing structure, it is likely to be a comprised market offer for some of the traders which would be located towards the back of the unit, compared to the existing market hall, which is accessible from multiple directions.
- 7.4 It is important to reiterate that, at this stage, the development options should be seen as a high level overview of the sites and not 'set in stone'. The uses and scale of development proposed have been tested, however, as the schemes come forward, certain elements may need to change to optimise the scheme. The flexibility of uses and the approach to 2 – 4 All Saints Square will be dependent on market demand. Retaining some flexibility will ensure that the development options can respond to changing requirements whilst ensuring that quality is not compromised and the overall principles continue to be adhered to.
- 7.5 We understand that the Council currently has funding of approximately £716,184 available from the UK Shared Prosperity FUND (UKSPF) Year 3. We note that this funding could be used to contribute towards the renovation of the existing indoor market or potentially towards any of the other options identified within our report to 2 – 4 All Saints Square. In addition to this, we are aware that Nuneaton and Bedworth Borough Council's Cabinet have recently agreed for the authority to join a Government 'Pathfinder' scheme for regeneration funding. This will allow for

more flexibility in the sharing of any funding between Nuneaton and Bedworth. Any future funding granted to Nuneaton and Bedworth Borough Council could be used towards redevelopment opportunities to 2 – 4 All Saints Square.

Next Steps

7.6 Following on from our report, we recommend the next steps that the Council may want to take into consideration:

- Agree the on the most appropriate option for the existing Indoor Market and/or 2-4 All Saints Square. This could also include looking at the disposal of either site. The Council could then potentially use any money from a disposal of one site for the redevelopment of the other.
- Undertake soft market testing with potential market operators and developers to test the emerging options.
- Produce more detailed and refined designs. We note that the current options comprise high-level assumptions in respect of design and sizes. Further clarity will be required in terms of the desired unit mix, number of units provided in the scheme, appropriate heights, and desired level of affordable housing provision for the potential residential option at 2-4 All Saints Square. Once preferred designs and schemes have been identified for each potential site then a detailed development brief will need to be prepared for the site which sets out the key legal, financial, planning and design requirements in respect of each site. This document will be the basis on which to approach potential operators / developers / contractor partners.

7.7 Following the steps set out above, the Council will need to consider the preferred route to market for each of the sites. Some of the delivery mechanisms the Council may want to consider include:

- Disposal of the site of either the Indoor Market or 2 -4 All Saints, depending on which option the Council decides to pursue to a private developer;
- Council led delivery of the site, whereby the Council appoints a contractor partner to deliver the works in accordance with an agreed brief/scheme. This option may help to improve viability as the Council may be able to borrow at lower finance rates and also any profit can be used to offset any deficit, before the use of public sector funding.

Appendix 1 – AVL Bedworth Market Summary Paper 2023

Summary Market Assessment



Bedworth Market Feasibility Study

Nuneaton & Bedworth Borough Council

September 2023

Private and Confidential

Quality Assurance

Date of Report

September 2023

Version

Draft

Filename and path

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Limitation

This report has been prepared on behalf of and for the exclusive use of Aspinall Verdi Limited's Client and it is subject to and issued in connection with the provisions of the agreement between Aspinall Verdi Limited and its Client. Aspinall Verdi Limited accepts no liability or responsibility whatsoever for or in respect of any use of or reliance upon this report by any third party.

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Appendices

Appendix 1 – AVL Bedworth Town Centre Market Report 2021

Appendix 2 – AVL Comparable Evidence

1 Introduction

- 1.1 As part of a multi-disciplinary team including Broadway Maylan and Gleeds, AspinallVerdi have been instructed by Nuneaton & Bedworth Borough Council to undertake a feasibility study to test a number of options for the redevelopment of Bedworth Indoor Market. The work produced by the consultancy team will support the Council in identifying an overarching vision for the future of the Bedworth Indoor Market.
- 1.2 The overall purpose of the feasibility study is to identify the most suitable option for the redevelopment of Bedworth Indoor market. This currently includes the following options:
- Refurbishment of the existing market - including increasing the number of units and providing the potential for amenity / event space
 - Relocation of the existing indoor market to 2-4 All Saints Square. If this option is pursued, we have also considered the following sub options;
 - Redevelopment of the existing units to provide a market at ground floor level with residential accommodation provided above, and
 - Redevelopment of the existing buildings above 2-4 All Saints Square to provide residential accommodation.
- 1.3 We understand that if the option to refurbish the existing market is pursued, then the redevelopment of the existing buildings at All Saints Square may be pursued and vice versa. Conversely, if the option to relocate the existing market to All Saints Square is pursued, then the existing indoor market site may come forward for redevelopment.
- 1.4 AspinallVerdi were previously engaged by Nuneaton & Bedworth Borough Council to provide property market analysis in support of the Transforming Bedworth Programme (TBP). A full copy of the market report produced in May 2021 can be found at Appendix 1. This report calls upon the findings from our previous market research and provides an update on significant changes in the market. This latest property market summary report seeks to provide an update on residential and commercial market data for Bedworth, as well as recommend achievable sales values, rents and yields.
- 1.5 Our research relies on the analysis of property data and consultation with property agents active in the local market. Data relating to recorded transactions allows us to see the types, sizes and quality of property occupiers have taken in the market. It also shows the volume of transactions and which locations are the most popular. Property data showing available supply highlights the amount of available stock, along with the type, size and quality of space. Considering these two things together provides an understanding of the opportunities which may exist for new-build development.

- 1.6 Consultation with agents then provides greater insight into how the market functions. This process also provides an opportunity to better understand how interventions could impact the existing market.
- 1.7 In addition to our analysis of supply and demand, this assessment will determine the sales values, rents and investment yields that new-build development could achieve were it to be brought forward. This analysis will help to inform the viability appraisals that we will undertake for the development options being produced. This viability testing will follow this report and provide a comprehensive understanding of the financial dynamics of the sites.

Study Area

- 1.8 Our property market analysis focuses on Bedworth Town Centre. The town centre is defined as the area outlined in red in Figure 1.1.

Figure 1.1 - Bedworth Town Centre



Source: Google MyMaps, 2023

Structure

- 1.9 In the following chapters, we summarise the key outcomes of our research, calling on our previous work in Bedworth and reviewing the latest market data. We have separated our analysis to focus on specific sectors within each market, as summarised in the points below:

Residential Market

- Market Sale Housing
- Private Rented Sector & Build to Rent
- Senior Living

Commercial Market

- Retail
- Food & Beverage (F&B)
- Commercial Leisure
- Office / Flexible Office Space
- Public / Third Sector

- 1.10 Within each section, we provide a brief market overview. We conclude each section by summarising the key opportunities available and the values which could be achieved by development in Bedworth.

Limitations

- 1.11 We have approached local agents and potential occupiers / end users as part of our research to gain insight into demand characteristics and market sentiment in the areas surrounding the sites. This has been undertaken on a confidential basis and their views have been shared on this understanding. Where such views have been disclosed within this report, they should be treated as commercially sensitive and should not be repeated for any other purpose outside of this report.

2 Residential Market

- 2.1 In this section, we summarise our research into the residential market in Bedworth Town Centre. Specifically, we have considered the prospects for private market sale, private rented and senior living accommodation. Please note, that we have focussed our analysis on flatted-type development due to the central location of the sites and the likely densities required to be delivered on the sites.

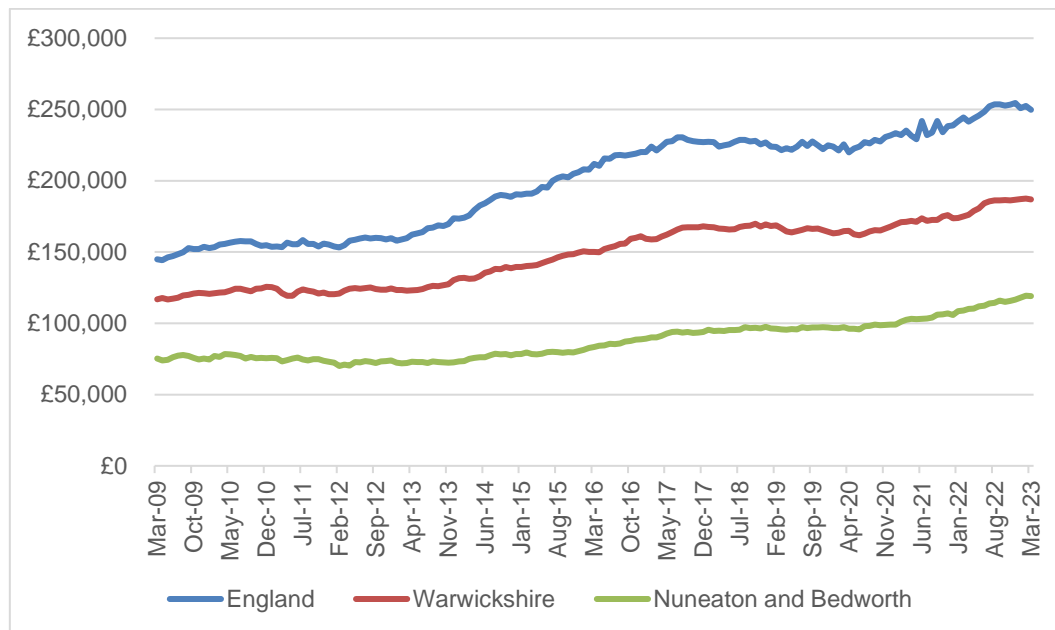
Private Residential Market

Sales Market Overview

- 2.2 The RICS publishes a regular UK residential property market survey providing an overall opinion of the direction that the residential market is taking, along with commentary from surveyors from individual regions throughout the UK. The latest publication in May 2023 showed results to be less negative compared to previous publications over the last 12-months. National house prices are still falling, although downward momentum is reported to be continuing to ease. Virtually all regions of the UK report fewer negative readings for new-build enquiries when compared to the start of 2023.¹
- 2.3 On a regional level, the West Midlands has followed general trends with mortgage uncertainty, increases in interest rates and the cost of living crisis continuing to make buyers cautious. However, despite this house prices are still reported to be selling at realistic prices.
- 2.4 Our 2021 market report considered the overarching price trends in Nuneaton & Bedworth, indicating through the use of Land Registry data that average flatted prices in Nuneaton & Bedworth were lower than both the regional (Warwickshire) and national averages. We have reviewed the data available from the period after our initial market review which has demonstrated that while prices have fluctuated in line with national and regional trends, Nuneaton & Bedworth's average flatted values remain c. 44% lower than the regional average and c. 71% lower than the national average. Table 2.1 shows the price trends for flatted values in Nuneaton & Bedworth, Warwickshire and England from March 2009 to March 2023.

¹ RICS, 2023. *UK Residential Market Survey*. Available at: <https://www.rics.org/news-insights/market-surveys>

Table 2.1 - Average Flatted Values

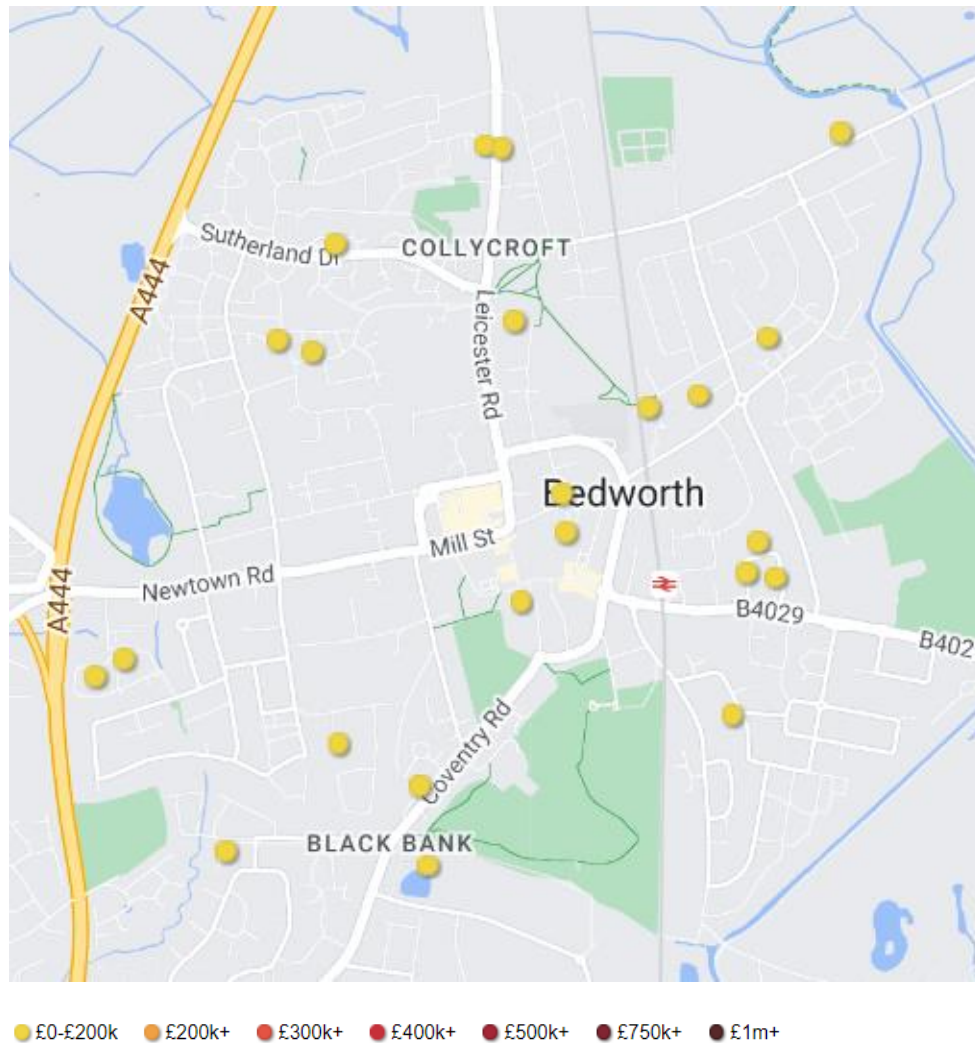


Source: Land Registry, 2023.

New-Build Achieved Values

- 2.5 We have sought to identify any new-build transactions which have completed in the town centre and immediate surrounding area for the last two years, however our search returned no results. Given the lack of new-build sales data available for flats in the town centre, we considered sales in the areas surrounding Bedworth town centre in our analysis. However, were unable to identify any new-build transactional data for flatted or mews / townhouse type units. We also established in our 2021 Market Report that no new-build flats had sold in the town centre in recent years, with a limited number of transactions identified in the areas immediately surrounding Bedworth. Full details of the transacted values can be found in Chapter 2 of our market report, provided in Appendix 1.
- 2.6 In the second-hand flatted market, 1-bed units transacted for between £58,000 - £100,000, whilst the achieved values for 2-bed units ranged from £88,500 - £140,000. The units identified varied significantly in terms of quality and size. Most were of lower quality when compared with new-build stock.
- 2.7 Figure 2.1 shows the distribution of second-hand flatted sales in Bedworth Town Centre and the surrounding area. The shading of the sale location markers reflects the achieved value, with the darker markers reflecting higher values. In line with the above, none of the units identified sold above £200,000.

Figure 2.1 - Rightmove Flatted Sale Distribution



Source: Rightmove, 2023.

- 2.8 Given the lack of new-build evidence in Bedworth Town Centre, we have considered listing prices for second-hand flatted units. As acknowledged in our 2021 review, there are few examples of modern / high-quality flats for sale in the town centre, with more contemporary purpose-built blocks found outside of the town centre. From the evidence available, 1-bed units were available for between £95,000 - £105,000. There were a greater number of second-hand 2-bed units available in the town centre and the wider area which ranged from £82,000 - £159,000. The overall price range for flatted listings was reasonably large, spanning from £95,000 to £159,000.
- 2.9 Zoopla and Rightmove price paid data showed that the average flatted price in Bedworth is currently around £115,000, with average values for all housing types of between approximately £210,000 - £215,000 in Bedworth. In comparison, Nuneaton's current average flatted price is slightly higher at around £118,000. The average price in Nuneaton for all unit-types is currently around £245,000 which is c. 13% higher than in Bedworth. As such, market trends indicate

Nuneaton is a higher value area than Bedworth by just over 10%. The trends shown in this data were supported by our agent consultations.

- 2.10 Agents reported that there are very few examples of recent development in Bedworth Town Centre, meaning that the market is relatively untested. Agents mostly stated that there would be a good level of demand for town-centre properties if improvements were made to the quality and types of amenities available.
- 2.11 Agents also reported the current stock in the centre of Bedworth is generally poor quality and there is a lack of new-build development. In general, buyers have favoured houses over flats due to the availability of a garden and this trend has been further strengthened as a result of the pandemic. However, those flats which are able to provide an element of private outside space (i.e. balcony or terrace) are likely to provide a happy medium.
- 2.12 Buyers will typically expect car parking. Although it may not be as essential for a flat to sell when compared to housing units, buyers have typically favoured a less central location with car parking over a centrally located home without. If the town centre commercial offer is improved this would be likely to strengthen the demand for new-build flatted units and reduce the current negative perception of the town centre.
- 2.13 We anticipate that demand for flats would predominantly be for 1-bed and 2-bed units. Larger 3-bed flats are unlikely to be attractive, as when buyers consider dwellings of this size there are numerous second-hand 2-bed or 3-bed terraced houses available in the area. These are more likely to satisfy those looking for family-sized units.

Rental Market Overview

- 2.14 To identify what opportunities there may be for private rental in Bedworth Town Centre, we have looked to identify what demand exists for rental properties, and what level of rent this type of space could achieve.
- 2.15 We identified evidence of asking rents for properties in the town centre, or in close proximity. The evidence available at the time of our review featured only second-hand units where the interior specification was generally less than what a new-build scheme would be likely to offer. Therefore, we expect that a newly developed rental scheme could achieve a premium when compared with the values identified in our market report. We found that average rental values ranged between £575 pcm - £834 pcm for 1-bed units and £650 pcm - £900 pcm for 2-bed units.
- 2.16 Many of the units were observed to be older flats or conversions of existing houses which are variable in price, but mostly of poor quality.
- 2.17 As with market sale units, agents noted the relatively untested nature of the new-build market makes it difficult to accurately attribute rental values to new-build rental properties. However,

units of a high specification could achieve a premium above properties that are currently available.

Residential Market Summary

- 2.18 We anticipate that there could be opportunities to deliver new-build flatted units in the town centre. However, the market has not been recently tested in terms of new-build delivery, making it difficult to identify exactly what values new-build units could achieve.
- 2.19 Although units are likely to sell if development is brought forward in the town centre, we would suggest that based on values identified in our market report, viability may be challenging. It is unclear whether private-sector developers would be able to generate their required return at these values. If funding is provided to de-risk delivery and ensure that a developer could secure an appropriate return, then sites in the town centre may prove more attractive to them.
- 2.20 There is currently a strong demand for rental properties in the town centre. We have been made aware via our consultations that there is currently a lack of high-quality rental properties in this area in particular. Subject to viability, there may be an opportunity to provide this type of development in Bedworth.
- 2.21 Although Private Rental Sector (PRS) products are being delivered by institutional investors in major cities such as London and Birmingham, they are not currently implementing this model in smaller towns. It is unlikely that such a scheme would be delivered in the town by this type of developer/investor. If this type of product were to be delivered in Bedworth Town Centre, it would probably need to be delivered by the public sector. However, were the Council to proceed with such a scheme, our research indicates that there would be a healthy level of demand.

Residential Market Values

- 2.22 Based on our research we consider that new-build market sale flatted units could achieve in the current market the value ranges indicated in Table 2.2 (subject to unit size / measurements / outside space / parking).

Table 2.2 - Residential Sales Values

Unit Type	Value Range
1-Bed Flat	£140,000 - £160,000
2-Bed Flat	£180,000 - £210,000
3-Bed Flat	£195,000 - £230,000

Source: AVL, 2023.

- 2.23 We consider that new-build rental units could achieve the ranges outlined in Table 2.3, again subject to the exact size, configuration and specification.

Table 2.3 - Residential Rental Values

Unit Type	Rental Value Range (pcm)
1-Bed Flat	£600 - £700 pcm
2-Bed Flat	£700 - £750 pcm
3-Bed Flat	£800 - £950 pcm

Source: AVL, 2023.

- 2.24 We note that we would anticipate a build-to-rent type product would generate rents at the upper end of the ranges identified, due to the communal facilities which are generally provided with this type of development.

Senior Living

2.25 In this section, we summarise the Senior Living Market and consider the potential for older persons' housing in the town centre. This is supported by a growing body of research which indicates that development and investment in senior living accommodation are set to continue to expand in the coming years. There are several naming conventions for this type of accommodation, we have therefore grouped together the following:

- Retirement housing / sheltered housing
- Housing with care
- Care Homes

Market Overview

2.26 By 2025, 20% of the UK population will be over 65, equating to 14.3 million people. In total, the cohort owns £800 billion of housing equity. Yet, there is a chronic undersupply of high-quality housing with the right care in desirable locations across the UK. Currently, only 0.6% of retirees are in housing with care, which is ten times less than in more mature retirement housing communities such as the USA or Australia. JLL estimate that there is a potential requirement of 725,000 housing with care units by the end of 2025 which would equate to nearly 50% of all new homes built at the current rate. The excess of pent-up wealth in the older generation indicates that new-build senior living stock will be in high demand and that the generally high market values for these units will be affordable for many.²

2.27 In the last 10 years, Housing with Care has become the fastest growing portion of the retirement market, despite the overall size of the market still remaining small. The first 9 months of 2022 saw investment of more than £2 billion invested in the senior living sector, which had already surpassed the total investment across the whole of 2021. The demand for high-quality senior living dwellings is high with most of the current stock being accounted for by affordable units built pre-1980 which makes up almost 50% of current market supply. New supply is higher than previous years with 39,000 seniors housing units planned compared with 31,000 last year³.

2.28 The Knight Frank Senior Housing Price Index indicated that over the past 5 years, prices for all types of senior housing have grown by 14%⁴. Generally, the average purchaser of a new-build senior living scheme is prepared to move 76% (3.8 miles) further than the average buyer⁵. Furthermore, homes in IRC's (Integrated Retirement Communities) commanded a premium of

² JLL, 2020, *Where is The Opportunity: Retirement Living*, [Available at <https://www.jll.co.uk/content/dam/jll-com/documents/pdf/research/emea/uk/Retirement%20Living%20-%20Where%20is%20the%20opportunity.pdf>]

³ Ibid.

⁴ Knight Frank, 2023, *Seniors Housing Annual Review*, [Available at <https://content.knightfrank.com/research/1854/documents/en/seniors-housing-annual-review-202223-9409.pdf>]

⁵ Ibid.

17% compared to the local new-build market. Retirement housing commanded a smaller premium of 4%⁶.

- 2.29 The demand for senior living has increased both for renters and buyers with Strutt and Parker's Housing Futures Survey reporting that 48% of those over 66 would prefer to rent their next home. However, this is lower for those looking at IRC's⁷.
- 2.30 The 2021 census data shows that the population across the UK has continued to age, with 18.4% of people in the UK being over 65. This percentage is higher than ever before, suggesting that the demand for senior living will increase over the coming years⁸.
- 2.31 The current lack of supply of high-quality senior living space may be forcing the senior generation to look to alternative options for later-life accommodation. This constrained supply of senior living accommodation is leaving older populations with increasingly limited options, with many electing to remain within their family homes or move in with immediate relatives. State-funded senior living housing is perceived to be outdated, with many schemes offering very basic levels of accommodation and care provisions. As a result, there has been an emergence of new innovative operators who are evolving the senior living market and providing more sustainable and desirable accommodation options however, the provision remains short of the growing demand.⁹
- 2.32 Figure 2.2 shows the anticipated growth in the Senior Living sector up to 2026.

Figure 2.2 - Senior Development Forecast

UK Seniors Housing supply forecasts End 2021-2026			
	RETIREMENT HOUSING	IRC	TOTAL SENIORS HOUSING MARKET
2021	672,176	84,353	756,529
2026 (f)	696,766	123,053	819,819
Forecast new units	24,590	38,700	63,290
Forecast growth (%)	4%	46%	8%

Source: Knight Frank, 2023.

- 2.33 Knight Frank released a recent report titled 'Seniors Housing Annual Review 2022/2023'. The report notes that the IRC market is expected to see high rates of growth over the coming years.

⁶ Ibid.

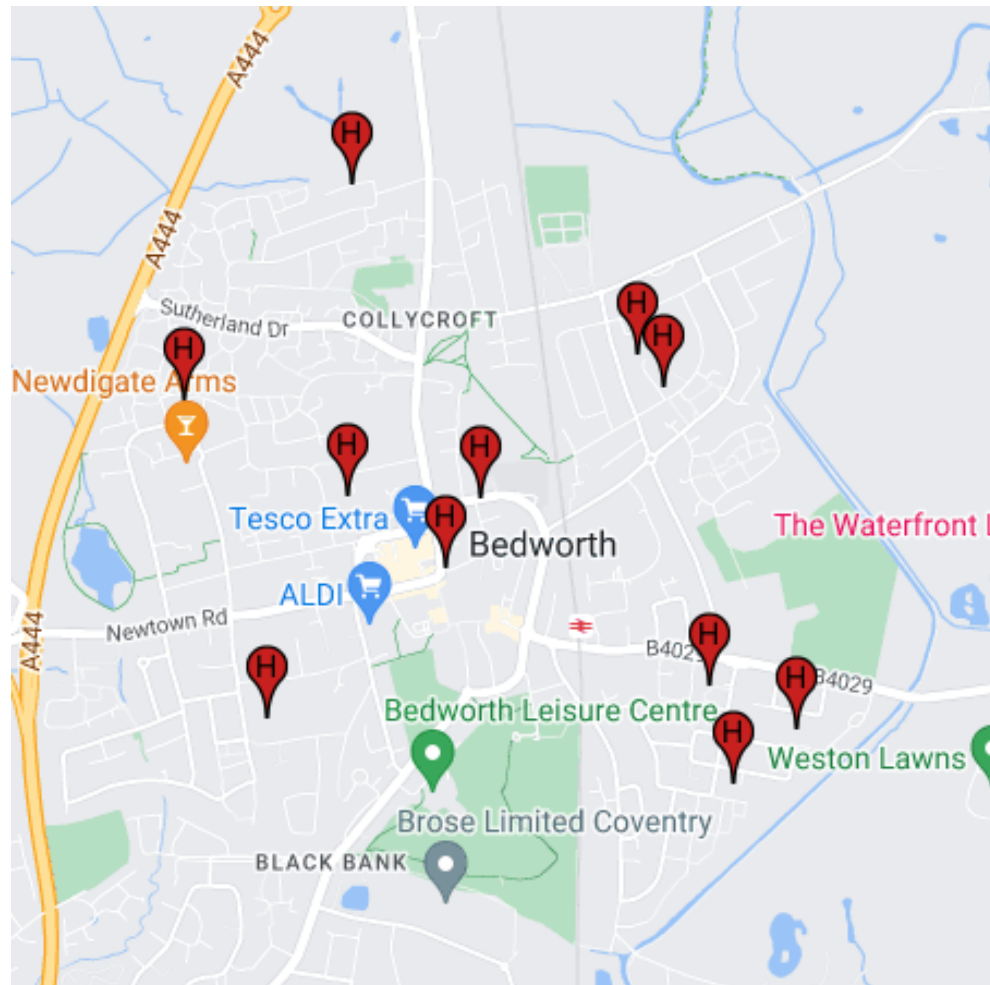
⁷ Strutt & Parker, 2023, *Housing Futures Survey*, [Available at <https://www.struttandparker.com/knowledge-and-research/housing-futures>].

⁸ Ibid.

⁹ Cushman & Wakefield, 2020. *Senior Living: The imminent demand & emerging opportunity*. [Available at <https://www.cushmanwakefield.com/en/united-kingdom/insights/covid-19/retirement-living>].

Though the sector is still small, such a high rate of growth reflects the increasingly ageing population and the lack of housing facilities to cater for them.

Figure 2.3 - Existing Senior Living Schemes



Source: HousingCare.org, 2023.

- 2.34 Our review established there to be a lack of new-build senior living accommodation in and around Bedworth Town Centre, with the most recently completed scheme dating back to 2015. However, there is a substantial quantity of second-hand stock, with approximately 11 existing senior living facilities in Bedworth Town Centre and the immediate surrounding area. The existing senior living offer varies in scale, from around 20no. units in smaller facilities up to around 85no. units at the largest scheme, Oakwood Gardens & Mayfield Bungalows, located in the town centre and built in 2015.
- 2.35 A review of sold data and listing prices indicates that second-hand senior living units range from £60,000 - £120,000 for 1-bed units and £125,000 - £165,000 for 2-bed units. The majority of the second-hand units identified were dated, with most blocks at least 20 years old and without the level of communal outdoor space / wider amenities that new-build schemes tend to offer

residents. We would expect new-build units to achieve a significant premium on the prices listed / achieved for second-hand units.

- 2.36 The nearest recent new-build senior living scheme to Bedworth Town Centre is The Close. This is a McCarthy and Stone Group scheme and is located in Nuneaton, c. 3.3 miles north of Bedworth Town Centre. The scheme comprises of 51no. units that are a mix of 1 and 2-bed assisted living apartments. The units at this scheme all sold as new builds in 2020 and 2021, we summarise the market sale transactions identified in Table 2.4 and images of the scheme can be seen in Figure 2.4.

Table 2.4 - The Close New-Build Sales

Scheme	Type	No. Sold	Price Range	Size Range (sqft)	Avg, (£/sqft)
The Close	1-bed	14	£149,950 - £184,950	570 - 667	£290
	2-bed	5	£264,950 - £294,950	807 – 1,313	£299

Source: Land Registry, 2023

- 2.37 We have also identified that there are 3no. properties currently listed for sale at The Close. These units are all 2-bed and range from £234,995 - £239,995.

Figure 2.4 - The Close





Source: McCarthy Stone, 2023

- 2.38 We received a positive response from McCarthy and Stone, who confirmed that Bedworth is a market of interest and a location they have considered before as a potential opportunity. It was confirmed that they would be seeking a site of approximately 1-acre and within 0.5-miles of existing amenities, ideally in the centre of Bedworth. We understand McCarthy and Stone schemes often include an option for some ancillary commercial space at ground floor level, typically either a small convenience store, hair salon, coffee shop or pharmacy.

Senior Living Summary

- 2.39 Overall, we consider there to be a limited supply of good quality senior living stock available in Bedworth Town Centre. Combined with the interest expressed from operators such as McCarthy & Stone, we expect there is an opportunity to deliver a senior living scheme in the town centre.
- 2.40 Viability may be more marginal than in some of the surrounding locations (e.g. Nuneaton and Coventry), however as senior living typically achieves a premium on conventional flatted accommodation it may provide a suitable alternative.
- 2.41 A key consideration will be how to integrate such a facility, either as part of a mixed-use scheme or whether it is more likely that a senior living scheme will be delivered in isolation.

Senior Living Values

- 2.42 Based on our research we consider that new-build senior living flatted units could achieve the value ranges indicated in Table 2.5, we have broken our value ranges down by unit types between 1 and 2-bed units.

Table 2.5 - Senior Living Values

Unit Type	Value Range
1Bed Flat	£155,000 - £175,000
2 Bed Flat	£235,000 - £265,000

Source: AVL, 2023.

3 Commercial Market

3.1 In this section, we summarise the key outcomes from our commercial market review. We have separated this section to consider the following market sectors:

- Retail
- Food and Beverage (F&B)
- Office (including managed workspace)
- Leisure
- Public / Third Sector

3.2 Further supporting information can be found in Chapter 2 of our May 2021 market report in Appendix 1.

Retail

Market Overview

3.3 Bedworth has a modest retail offering, in-keeping with the size of the town. There is no shopping centre within the town, rather there is an area where much of the retail offering is situated, enclosed by Rye-Piece Ringway (B4113). The majority of retail space is located near All Saints Square, Mill Street to the north, and King Street to the east. The town centre is perceived as having lower-quality retail occupiers, with customers willing to travel elsewhere if they want higher-quality comparison goods. Bedworth is overall considered a secondary town-centre to Nuneaton within the Borough, Nuneaton offers two shopping centres, Ropewalk Shopping Centre and Abbeygate Shopping Centre.

3.4 Prior to the pandemic, the UK retail market was experiencing significant structural change. Footfall in established retail locations (i.e., town centres, shopping centres, retail parks) had been in decline and was primarily explained by the rise in online shopping and e-commerce.

3.5 Circumstances were then compounded in 2020 by the COVID-19 outbreak which brought unprecedented change to the retail market. Footfall in UK high streets, retail parks and shopping centres fell by more than 43% in 2020 as a result of the government-imposed lockdowns and social distancing measures.¹⁰

3.6 Following the success of the vaccine deployment in the UK and the subsequent easing of restrictions, consumer confidence bounced back and soared to record levels in the PWC Consumer sentiment survey. In May 2021, retail sales surged 11% above 2019 levels despite

¹⁰ Savills, 2020. Spotlight: UK Retail Outlook Report.

footfall being down 27% over the same period, owing to a combination of pent-up demand and increased household savings.

- 3.7 More recently, a combination of the cost-of-living crisis, industrial action and continuous adjustments to the workplace/home balance has resulted in considerable volatility in the relationship between online and in store retail. During December 2022, 26.6% of sales were facilitated online, considerably below the 30.5% observed during December 2021 and falling from the November level of 29.7%.
- 3.8 A 2023 Retail Market Outlook by CBRE has highlighted that recorded sales have been on a steady decline and consumer confidence in the retail market is currently nearing historic lows. Vacancy rates are however set to remain stable, this is due to many retailers undertaking portfolio restructures over the past couple of years. It is also reported that in 2023 UK retail yields are comparatively higher compared to other sectors.¹¹
- 3.9 Our 2021 Market Report found similar themes, highlighting consumer confidence being low, alongside other more national issues such as changes to consumer habits, the growth of e-commerce and the continued decline of the high street in the aftermath of Brexit and the COVID-19 pandemic.

Retail – Achieved Leases

- 3.10 Table 3.1 shows the level of take-up for retail property in Bedworth Town Centre over the last 3 years. The take-up of leases is of importance as the volume of transactions starts to show the strength of the market and how likely new space is to be let if it is delivered. Rental evidence also shows the value of leases, and indicates what the likely rental values would be for new development.

Table 3.1 – Retail Take-Up - Leases

Year	No. Units	Take-Up (sqft)
2020	3	2,294
2021	2	4,780
2022	1	643
2023	2	863

Source: CoStar, 2023

¹¹ CBRE, 2023. UK Real Estate Market Outlook 2023

- 3.11 Table 3.1 shows that over the past 3-years, there have been a total of 8no. retail units leased for a total take-up of 8,580 sqft. The summary of the leases that make up this total take-up can be found in Table 3.2.

Table 3.2 - Retail Transactions - Leases

Property Address	Lease Sign Date	Term	Rent (pa)	Area (sqft)	Price (£ / psf)
9 Leicester Street	01/02/2023	5 years	£6,800	269	£25.28
18 All Saints Square	13/01/2023	5 years	£12,000	594	£20.20
11 Congreve Walk	21/10/2022	5 years	£10,750	643	£16.72
4-6 Congreve Walk	02/11/2021	-	£22,000	1,961	£11.22
4 All Saints Square	30/04/2021	-	£12,798	2,819	£4.54
8 High Street	22/10/2020	5 years	£10,000	427	£23.42
30 All Saints Square	26/08/2020	10 years	£12,000	710	£16.90
6 King Street	23/07/2020	5 years	£12,774	1,157	£11.04

Source: CoStar, 2023

- 3.12 Table 3.2 shows that the majority of the transactions in Bedworth over the past 3-years have been at All Saints Square.
- 3.13 The unit at 9 Leicester Street achieved the highest £ / psf value at £25.28 psf and was also the smallest unit at 269 sqft. As is generally expected, the smaller units have achieved a higher £ / psf value than the larger retail units identified. From the transactions identified for the previous 3 years, the rents have ranged from £4.54 psf - £25.28 psf, with an average of £16.17 psf across our sample identified.
- 3.14 CoStar Market Analytics currently report the market rent in the Nuneaton and Bedworth retail submarket as being £13.47 psf. This is in line with our market data, albeit slightly lower than the average £ / psf across the transactions identified.
- 3.15 Retail spaces which have recently let have varied in quality and size, with smaller units making up the majority of the transactional data.

Retail - Achieved Sales

- 3.16 We have also considered the number of retail units which have sold in Bedworth Town Centre since 2018. This helps illustrate the strength of the investor market, as well as providing details

of the capital values and investment yields achieved in Bedworth. This data is summarised in Table 3.3.

Table 3.3 - Retail Sales

Year	No Units	Take-Up (sqft)
2018	1	13,600
2019	1	4,636
2020	0	-
2021	0	-
2022	0	-
2023	0	-

Source: CoStar, 2023

- 3.17 Table 3.3 shows that a total of 18,226 sqft of retail space has been sold between June 2018 and June 2023. This involved transactions for just 2no. units. This shows limited data in the retail investment market for Bedworth. We summarise details of these transactions in Table 3.4.

Table 3.4 - Retail Transactions - Sales

Property Address	Sale Date	Sale Price	Area (sqft)	Yield (%)
10-16 High Street	17/07/2018	£636,000	13,600	-
21-25 King St	01/07/2019	£400,000	4,636	11.64

Source: CoStar, 2023

- 3.18 As with the lease transactions, the units sold ranged in size and quality. Prices from those identified range from £400,000 to £636,000. We note that we have only been able to identify the achieved yield for one of the transactions.
- 3.19 To supplement this data, CoStar Market Analytics currently report the market yield for the Nuneaton and Bedworth Submarket at 8.00% and 7.40% for the Coventry market as a whole.
- 3.20 The lack of sales recorded since 2018 highlights that the retail investor market is challenging in Bedworth. This is expected due to the proximity to areas such as Nuneaton and Coventry which will achieve stronger yields.

Retail Supply - Leases

- 3.21 We have also considered the availability of retail space, again focussing on town-centre units. This evidence is presented in Table 3.5. This data shows us the current supply levels for retail space in Bedworth.
- 3.22 In terms of rents, asking prices may be aspirational in nature and represent the ambitions of the owner rather than the reality of what is actually achievable.

Table 3.5 - Retail Availability - Leases

Property Address	Floorspace (sqft)	Asking Rent
2-8 High Street	1,244	£13.67
2-2A King Street	1,071	£15.41
12-14 King Street	991	£14.13
28 All Saints Square	746	£18.10

Source: CoStar, 2023

- 3.23 Table 3.5 shows that in total there are 4no. listings. The listings identified vary in terms of size, quality and price, with an average asking rent of £15.32 psf. As with the achieved leases and typical market trends, the larger units have a lower £ / sqft value and the smaller units have a higher £ / psf value

Retail Supply – Sales

- 3.24 We have also sought to identify units which are currently available for sale in Bedworth. However, our search has not identified any retail units that are currently listed for sale.
- 3.25 This highlights what is identified in the achieved sale data, that both supply of retail space and demand for investors in the Bedworth retail investment market is relatively low.

Retail Summary

- 3.26 The retail market in Bedworth Town Centre is considered to be in decline. Vacancy is increasing and there appears to be little interest in available units, with an evident lack of take-up in recent years. Also, as anchor operators leave or consider leaving the town centre, there are fewer and fewer reasons for shoppers to visit the town. This is in turn creating a weaker market for the remaining occupiers.
- 3.27 National occupiers do not want town-centre locations and instead want space at out of town retail parks. This is due to the consumer spending, free parking and the other occupiers present at

retail parks. Town-centre space cannot compete with demand for this location. This has led to very little demand for shopping centre units and larger retail properties.

- 3.28 This is of particular concern as the town centre is predominantly retail focussed, with few examples of alternative uses which bring people into the centre with the exception of heritage assets. Therefore, the continued decline in the retail market is synonymous with the overall decline of Bedworth Town Centre.
- 3.29 There is currently an oversupply of retail stock – particularly in terms of high street style units. Reduction of total floorspace may help to benefit the retail market, as this will reduce supply and encourage existing operators into a condensed area. Reducing vacancy in this way could help to create rental growth and build critical mass in a smaller area rather than spreading this across the centre.
- 3.30 If a new residential population is introduced, or new leisure or F&B space brings footfall to the town centre, this may generate enough activity to encourage convenience retail operators into the town to provide amenity space.
- 3.31 If new space is delivered, this should be as flexible as possible to ensure that if requirements do arise, they can be accommodated. The introduction of use class E will mean that units can capture demand from F&B, office, comparison retail or convenience retail. Space should also be delivered to a design that could be suitable for various uses and should be capable of being subdivided to accommodate different business needs.
- 3.32 The redevelopment of the existing indoor market and incorporation of event space may help smaller local retailers. Alternatively, the relocation of this existing market to All Saints Square could generate footfall for the surrounding retail units and greatly benefit smaller retailers.
- 3.33 The development of new residential accommodation in Bedworth Town Centre will also increase demand for retail amenities such as more convenience retail units, F & B and Leisure.

Retail Values

- 3.34 Based on the available research we assume that new space let for retail could achieve rents of between £15.00 psf and £20.00 psf. Smaller units are likely to be at the higher end of the range while larger units are conversely likely to be at the lower end of the range.
- 3.35 In terms of investment yields, due to the limited evidence available, we have referred to published resources. CBRE suggest that for high-street retail in secondary locations, yields are close to 12%.¹² Knight Frank also suggest that high-street retail is achieving 10% or more in such locations.¹³ Therefore, we assume that retail space use could achieve yields of 10-11%.

¹² CBRE, Q3 2022. UK Retail Figures.

¹³ Knight Frank, 2021. Secondary Yield Guide.

Food and Beverage Market (F&B)

Market Overview

- 3.36 After a turbulent few years, the F&B market is reported to have strengthened over the past year, with consumer engagement in leisure activities seeing leisure spend increasingly improve as lockdowns become a thing of the past. Out of town retail destinations have seen increasing competition for F&B space as consumers continue to recognise the convenience of their locations, leading to a significant uplift in the rents that can be achieved in this format.¹⁴
- 3.37 In a similar trend to retail, the F&B market experienced difficulties over the Brexit and Covid-19 period from 2016 to 2021, with several high-profile closures and Company Voluntary Arrangements (CVAs). Notably, Pizza Express, Café Nero and Drake and Morgan.
- 3.38 Our 2021 market report identified that Bedworth has a relatively small presence of food and beverage operators, with much of the offering grouped to the east of the town centre and along Bulkington Road. The proximity of Bedworth to Nuneaton, means a greater F&B supply is already present nearby, where demand is greater.
- 3.39 There are a reasonable number of cafes, takeaways and pubs in the and around the town centre, although these are typically independent businesses. The only national chains present in the centre are Costa Coffee, Domino's and Greggs. Our 2021 report identified that there was also a Subway, however this has subsequently closed.
- 3.40 Our data search has identified no F&B lease activity or sales in Bedworth for the last 3 years. It is unclear whether this is due to a lack of supply or low levels of demand for this type of space. Our 2021 market report also identified no F&B activity, suggesting demand is likely to be very low. However, we note that F&B transactions can often be categorised as retail transactions and some units listed as available for retail may be suitable for F&B use, subject to planning.

F&B - Supply

- 3.41 There are no units currently listed on CoStar, either for rent or for sale. This means that there are few options for operators looking to take space in Bedworth. However, some units listed as available for retail may be suitable for this use, subject to planning.

F&B Summary

- 3.42 We note that there is a perception that the town centre does not offer enough variety in terms of F&B offer, particularly in terms of an evening economy. However, our research suggests there is

¹⁴ Savills, 2022. UK Leisure Spotlight Winter 2022.

currently relatively little demand for restaurants, pubs and coffee shops in the town centre from operators.

- 3.43 Major brands are generally looking to reduce their number of units in the current market, and where they are expanding, they are looking to locations in the strongest performing towns and cities or out of town retail parks.
- 3.44 Whilst this is the current position, the option of a residential development in the town centre on either the existing indoor market site or at All Saints Square will undoubtedly increase demand for suitable and quality F&B outlets. In addition to this, an improved indoor market may trigger increased footfall for F&B outlets from visitors to the market.

F&B Values

- 3.45 If F&B space does come forward, we expect that a rent of £15 - £20 psf could be achieved. Our search didn't identify any investment yields. However, in the current market, we would expect F&B uses to be comparable to yields for retail space. Therefore, we believe a yield of 10% - 11% is more appropriate.

Commercial Leisure

Market Overview

- 3.46 As the retail sector has been in decline, the commercial leisure sector has seen innovation and presents an opportunity for town centres to re-position themselves through a more diverse offering. Leisure uses can become destinations in their own right, which can lead to an increase in footfall and dwell time. In turn, this provides support for the ancillary commercial uses which complement the anchor service and generate further activity (e.g. F&B).
- 3.47 Due to Bedworth's proximity to larger town and city centres, it is generally considered a secondary location and this means that demand from residents in Bedworth for leisure amenities can generally be met from towns such as Nuneaton and Coventry. In the current market, Bedworth cannot compete with this.
- 3.48 We are aware of a mixed use scheme that is currently development in Nuneaton, known as 'Grayson Place.' This scheme is set to include a cinema, live performance space, café, bar and community hub. This scheme is being delivered as part of the Transforming Nuneaton Project.
- 3.49 Below, we consider the market for cinemas, bowling and health & fitness space, which are seen as more traditional commercial leisure offerings.

Cinema

- 3.50 The cinema market is highly concentrated, with the top three multiplex operators accounting for 68.5% of schemes in the UK (Vue, ODEON & Cineworld). Such operators have typically favoured out-of-town locations where larger units and cheaper rents have meant that cinemas can act as anchor tenants for larger commercial complexes. Further, with typical floorspace requirements of 30,000 – 45,000 sqft, the contracted rent obligations for cinema operators are significant, making both the spatial and financial prospects of town centre sites unfeasible.¹⁵
- 3.51 However, as the commercial leisure market continues to be driven by the prioritisation of consumer experience, there has been a rise in smaller, boutique cinema operators such as Everyman, Curzon and Picturehouse. By contrast, these schemes can operate on significantly smaller floorplates (some as small as c. 8,000 sqft) and the prospect of occupying more central locations, therefore, becomes spatially and financially feasible.¹⁶ Rents for cinemas vary depending on location, with prime rents in London achieving up to £18 psf. In more remote, less attractive locations, rents can be lower at c. £12 psf.

¹⁵ Legal & General, 2018. *The Future of Leisure*.

¹⁶ Ibid.

The nearest cinema to Bedworth Town Centre is the Odeon Luxe Nuneaton, located at Bermuda Park approximately 1.7 miles north of the town centre.

Bowling

- 3.52 In recent years, ten-pin bowling has performed strongly. A growth of 4.3% has been forecast each year between 2015 and 2019. This is ahead of the rest of the leisure sector.¹⁷ The strength of the market means that bowling operators have significant plans for growth. Ten-pin bowling was one of the sectors most affected by the lockdowns throughout 2020 and 2021 as all venues had to be completely shut down which negatively affected a number of national operators.
- 3.53 There is currently no ten-pin bowling offering in Bedworth Town Centre but Nuneaton Bowl is located in The Bermuda Park to the north of Bedworth. This offers a sizeable bowling alley of 24no. lanes.
- 3.54 It is therefore considered unlikely that there is additional demand for ten-pin bowling provision in Bedworth town centre. However, as with other leisure uses, we would advise that this is kept under review moving forward as other uses are brought forward and new opportunities are created in the town centre.

Health & Fitness

- 3.55 Demand for health and fitness operations in the UK has increased significantly over the past decade, with a number of gym chains expanding across the country to service emerging fitness concepts. This rise has been attributed to several factors, including; greater levels of disposable income; public sector promotion of exercise and healthy living; increased variety and concepts in more accessible locations; the emergence of low-cost facilities with 24/7 access, and greater uptake of premium 'lifestyle' offers.¹⁸
- 3.56 This trend of expansion has also been shared with smaller, boutique operators who offer specific services or types of training in more urban locations. Units of this nature can be a quarter to a tenth of the size of typical gym footprints, with premises of c. 2,000 sqft appearing on High Street locations. This again supports the underlying prioritisation of experience in the commercial leisure sector, as consumers seek new and innovative lifestyle concepts which are convenient and accessible.
- 3.57 Like other service-led industries, the national lockdown brought restrictive measures to health & fitness facilities, forcing most to close indefinitely and impose membership freezes. Whilst some larger operators have been able to compensate by moving some classes and programmes online, the smaller facilities have faced difficulties.

¹⁷ Intu, 2018. <https://www.intugroup.co.uk/en/insights/predicting-a-strike/>

¹⁸ Legal & General, 2018. *The Future of Leisure*.

- 3.58 We note that there are no major health & fitness brands present in the town centre, however we understand that Nuffield Health and Fitness operate a substantial facility which includes a gym, exercise studios and a swimming pool and sauna at The Bermuda Park. This is likely to absorb much of the demand for this type of use. However, due to the facilities of a swimming pool and sauna membership prices will be higher compared to conventional gyms.
- 3.59 Other national operators such as PureGym and Anytime Fitness are actively looking for new space as they respond to the increase in demand in the years following the end of government-enforced lockdowns.
- 3.60 We have not approached gym operators at present. However, from previous correspondence for other localities, we understand that anywhere from c. 5,000 – 25,000 sqft is typically sought, with those at the lower end often requiring sufficient eaves height to install a separate mezzanine level. Operators also typically favour sites that can provide an element of parking.
- 3.61 Bedworth Leisure Centre is located to the south of the town centre and operated by Everyone Active in partnership with Nuneaton and Bedworth Council. We understand the facility provides a gym, exercise studios, 25-metre swimming pool and an artificial swimming pool.
- 3.62 We understand that a new physical activity hub is due to be developed to replace the existing Bedworth Leisure Centre. It is reported that £14,000,000 of the Levelling Up Fund will be used to support the redevelopment. The new hub is proposed to develop a new 25-metre swimming pool, two new fitness studios, four-court sports hall, mountain biking track, multi-use games area and a skateboard park.

Leisure Market Summary

- 3.63 Our assessment of the leisure market shows that there is unlikely to be operator demand for new leisure space in the town centre currently. The lack of supporting uses which drive footfall is likely to preclude any genuine interest in Bedworth Town Centre, particularly given the challenging viability associated with these types of uses. In addition to this, the 'Grayson Place' development currently coming forward in Nuneaton is likely to capture any demand for this type of space. However, development of new residential accommodation in Bedworth Town Centre may help to attract a new leisure facility due to the increased footfall and demand generated.
- 3.64 There are a number of commercial gym operators currently looking to secure premises at the moment with companies such as Anytime Fitness, PureGym and The Gym Group actively looking for space, although their specific interest in Bedworth is unknown.
- 3.65 It is possible a new active leisure offer could create a destination to attract footfall into the town centre, but in the current market it is unclear as to the level of demand from occupiers / operators. It is also unknown what demand there would be from F&B occupiers in respect of ancillary space to help drive interest in a leisure / entertainment facility.

Office

Market Overview

- 3.66 Before the coronavirus pandemic, national demand for office space was being driven by flexible workspace providers who increased their take-up by 25% in 2018; a similar rate to the preceding year. Growth in this sector was expected to continue, with flexible space expected to account for 8.5% of total office stock by 2023. Market commentators also reported a noticeable increase in requirements for fitted office space as occupiers look to avoid initial capital expenses on fitting out spaces when entering new leases.
- 3.67 In order to meet evolving needs, landlords and investors are adapting by delivering more creative spaces with greater emphasis on quality, flexibility, well-being and environmental excellence. Take-up of Grade A space, listed as 'new' or 'under construction' is at a five-year high. BNP Paribas reports that 84% of businesses are opting for Grade A space or new buildings, demonstrating the commitment from occupiers to secure the best quality space for their business.
- 3.68 In turn, the change in demand characteristics is expected to lead to a loss of older office spaces. A sustained lack of investment into regional office spaces over the past two decades is increasing levels of obsolescence, with residential uses often providing a more viable long-term option. Historic buildings cannot provide the flexibility, amenities and environmental performance sought by the occupier market, so the loss of secondary and tertiary space is expected to continue.
- 3.69 The town centre office market in Bedworth is characterised by more traditional high-street offices and space suiting smaller businesses. There are very few nationally recognised businesses in the centre, with larger requirements typically accommodated for closer to Coventry and at out-of-town business parks such as Wayside Business Park to the North of Coventry and approximately 1.9 miles south of Bedworth Town Centre.
- 3.70 Hybrid and flexible working models are becoming increasingly commonplace, with smaller occupiers either waiting in place for more favourable market conditions or turning to more flexible options.¹⁹ This trend has been exacerbated by recent economic conditions and is likely to generate continued demand for more flexible solutions to office space.

¹⁹ Avison Young, 2023. Office Outlook 2023.

Offices – Achieved Leases

- 3.71 We have gathered data of office lease transactions for the past two years, since the 2021 Market Report. From this period, we have only been able to identify 1no. lease transaction. This was for a small unit of 389 sqft and forms part of a property known as Kingsway House. This unit achieved a rent of £8.00 psf.
- 3.72 Due to this lack of recent data, we have considered achieved leases within the town centre from our 2021 Market Report.
- 3.73 Table 3.6 shows the leases which have been recorded on CoStar between 2017 and 2023.

Table 3.6 - Office Take-Up - Leases

Year	No Units	Take-Up (sqft)
2017	4	3,439
2018	0	-
2019	0	-
2020	0	-
2021	0	-
2022	1	389
2023	0	-

Source: CoStar, 2023

- 3.74 Table 3.6 shows that there have been only 5no. office transactions since 2017. Over this period, only 3,828 sqft of space has been let, with the highest volume of space taken in 2017. Table 3.7 provides the full details of transactions recorded throughout this time.

Table 3.7 - Office Transactions - Leases

Property Address	Lease Date	Term	Area (sqft)	Price (£ / psf)
King Street	01/12/2022	3 years	389	£8.00
60 George Street Ringway	30/01/2017	5 years	1,739	£9.78
King Street	16/01/2017	-	667	£10.00
King Street	16/01/2017	-	692	£10.00
King Street	16/01/2017	-	341	£10.00

Source: CoStar, 2023

- 3.75 Table 3.7 shows that offices which have let, have all been smaller than 2,000 sqft. This suggests that space has typically been taken by small / medium sized businesses. We note that this data includes asking rents for 3no. of the units at King Street. Asking rents can often be higher compared to achieved and effective rents as it does not take into account rent incentives such as rent free / void periods.

- 3.76 4no. of the lease transactions identified since 2017 all form part of the building known as Kingsway House which is located along King Street. The building comprises of approximately 5no. commercial units on the ground floor with a mix of office space and residential flats above.
- 3.77 We note that as many of the lease transactions identified were from 2017, this was therefore in a pre-pandemic market. Since this period, demand for office space has changed significantly with a growth in flexible workspace and an increase in people working from home / firms having lower space requirements.
- 3.78 The rents identified range from £9 - £10 psf. With an average of approximately £9.56 psf across all the transactions. The quality of units varies, although all transactions involve second-hand stock.
- 3.79 As our 2021 Market Report concluded, the size of the space let in Bedworth indicates that the occupiers would generally be small, local businesses. Bedworth's status as a secondary office location also indicates that it is unlikely larger national occupiers would have a requirement for space in this type of location.

Offices – Achieved Sales

- 3.80 We have searched for data of achieved office sales for the past 5-years, however our search has shown there to be no recorded office sales within this time period.
- 3.81 This suggests that there is little to no demand from investors for office space in Bedworth. This also indicates that there is a relatively low supply of office space within the town centre.

Office Availability – Leases

- 3.82 In Table 3.8, we present office space which is currently advertised through CoStar.

Table 3.8 - Office Availability - Leases

Property Address	Floorspace (sqft)	Asking Rent (£ / psf)
57 Leicester Road	1,205	£16.18
44 High Street	9,069	£9.26

Source: CoStar, 2023

- 3.83 There is currently 10,274 sqft of office space available in Bedworth Town Centre, across two units. The unit at 57 Leicester Road forms part of a former residential dwelling and is in reasonable condition. 44 High Street is a relatively large office space built in 2005, with total sqft to lease of 9,069 sqft across 3 storeys.

Office Availability – Sales

- 3.84 Our search has identified that there is currently no office space listed for sale in Bedworth Town Centre. This further indicates that supply and demand in the office investment market within Bedworth is low.

Office Market Summary

- 3.85 There are likely to be few opportunities to deliver large amounts of office space in the town centre as there is little demand from larger businesses. Rents in the centre are also currently at a level where this space will not be viable and there is also a significant risk that the space would struggle to let. It is therefore unlikely that a developer would deliver this kind of space.
- 3.86 There is some demand from SMEs, in particular those who have outgrown start-up space. Offices of less than 2,000 sqft are likely to appeal to this market. However, such businesses typically want affordable space at rents which would make development unviable without grant funding. If new follow-on space is delivered, it is likely to let well and help to retain local businesses who might otherwise look elsewhere. This is likely to help develop what is currently a fledgling market.
- 3.87 The lack of transactional data and occupier demand suggests any future office provision is likely to be public sector driven. It is unclear whether there is a significant enough local population at present to make any future workspace a viable proposition. However, the development of suitable residential accommodation in the town centre could change this.
- 3.88 We do not expect that the private sector will deliver an independent flexible workspace without intervention, as a standalone product in a secondary location is unlikely to be viable.

Office Values

- 3.89 We anticipate that if new office space is delivered, it could achieve rents of between £10.00 psf and £15.00 psf. For follow-on serviced office space, we would anticipate a value at the upper end of this range is likely to be achievable.
- 3.90 As there is no data available for investment yields within the town centre, we have relied on published data from property market research. Knight Frank indicate that in Secondary Towns yields of 7.5% would be expected. Tertiary Towns are achieving yields of 9.5%.²⁰ Based on this evidence and our experience in similar markets elsewhere, we assume that new space could achieve a yield of 8.0% – 9.5%.

²⁰ Knight Frank, 2019. Secondary Asset Yield Guide.

Public and Third Sector

- 3.91 In this section, we discuss the market for property from the public and third sectors. There is no transactional evidence recorded for this sector on property databases. The nature of requirements means that demand cannot be inferred from past trends, as requirements may arise from time to time. We have therefore relied on consultations with stakeholders in the area to identify any known requirements or any way to create new opportunities for public and third-sector space.

Bedworth Indoor Market

- 3.92 The Bedworth Indoor Market is covered market located on Mill Street in the town centre. It is owned and operated by Nuneaton and Bedworth Council. The market is open for trading on Tuesdays, Fridays and Saturdays and provides a mixture of 13no. permanent lock up units, along with casual trading market stalls. The types of vendors at the market varies and currently includes a barbers, pet shop, tool shop, and a café at the permanent lock up units.
- 3.93 The Council currently receives a weekly income on these stalls, however none of the occupiers are on lease agreements. We understand the annual revenue of the units to currently be:
- Lock Up Units: £45,627 per annum
 - Casual trading market stalls: £26,557 per annum
- 3.94 The Council is interested in the renovation / redevelopment of this market and stated that the building currently requires repairs / improvements, hence the purpose of this market report and overall options study is to determine the most viable option for the existing indoor market.

Civic Hall

- 3.95 The Civic Hall was a multi-purpose entertainment space in Bedworth Town Centre which was owned by Nuneaton and Bedworth Council. In October 2022, the Council permanently closed the hall. This was due to the hall no longer being a viable option in its existing state, having been used as a Covid vaccination centre.
- 3.96 The Transforming Bedworth Program includes plans to develop a new Civic building with an entertainment venue, library and rooftop bar. This would be on a different site and the existing site would be intended to become a residential development.
- 3.97 We understand that between November 2022 and January 2023, the Council had been seeking consultation from the public in regards to plans for the redevelopment of the existing hall.

Public and Third Sector Summary

- 3.98 The opportunity from this sector is the footfall and potential spending brought about by either the redevelopment or relocation of the indoor market to the heart of the retail parade, at All Saints Square. This is likely to have knock-on effects on the local economy. It is easy to see that this could generate footfall and bring people into Bedworth Town Centre, which may help kick start the revitalisation of the town centre and increase demand for suitable retail, F&B and Leisure space in the area surrounding the indoor market, whether this be at the existing site or at All Saints Square.
- 3.99 The demolition of the existing Civic Hall will unlock a key strategic site in the town centre for potential redevelopment. In addition, the new Civic Hall proposed with event space, library and rooftop bar which is expected to be delivered will help generate footfall and new travel patterns across the town centre.

4 Bedworth Market Summary

4.1 In this section, we summarise the findings for each market sector. We highlight the opportunities identified, as well as any constraints or issues which may need to be considered.

4.2 There are a number of overarching conclusions from our research. These are summarised as follows:

- Residential development is likely to offer an opportunity, either as part of a mixed-use scheme with commercial space or as the main use across whole sites, such as the site of the existing indoor Market or site at All Saints Square. We received positive responses from senior living operators who indicated that sites with proximity to existing amenities and being in the town centre makes Bedworth a strong and attractive location. A key consideration with retirement living, however, is the need for allocated parking – possibly for up to 70% of units. Market housing on the other hand (i.e. either market sale or rented) may provide an alternative which is less reliant on parking.
- Overall, any commercial development should encourage greater flexibility. Mono-purposed buildings exclude other opportunities, so space should be suitable and adaptable for a variety of uses and purposes. Space that can be subdivided or re-purposed to meet new requirements is likely to be most successful and sustainable in the longer term. Additionally, offering flexible lease terms is likely to encourage businesses into space, without the risk of taking on traditional longer leases.
- As Bedworth is a predominantly a retail-focussed town centre with few other uses bringing people into the town, the decline of the retail market represents the wider decline of the centre. Providing F&B, leisure and promoting cultural and heritage uses could give people new reasons to visit and provides the best chance of delivering transformational change.
- Market sectors and individual projects should not be thought of in isolation. The success of development is likely to rely on a combination of interrelated uses. For example, bringing a new residential population into the town centre may help to attract new comparison retail or F&B operators by bringing an influx of proximate consumers. In this respect, it will be important to also consider the balance and location of those uses which are managed / owned by the local authority (e.g. public leisure offering) and those which are intended to be private / operated by the market.

4.3 Table 4.1 and Table 4.2 summarise the values which could be achieved based on our market research.

Table 4.1 – Residential Value Summary

Use	Type	Value Range
Residential	1-Bed Flat	£140,000 - £160,000
	2-Bed Flat	£180,000 - £210,000
	3-Bed Flat	£195,000 - £230,000
Private Rental Sector	1-Bed Flat	£600 - £700 pcm
	2-Bed Flat	£700 - £750 pcm
	3-Bed Flat	£800 - £950 pcm
Senior Living	1Bed Flat	£155,000 - £175,000
	2Bed Flat	£235,000 - £265,000

Source: AVL, 2023.

Table 4.2 - Commercial Rent & Yield Summary

Use	Value Range	Yield
Retail	£15.00 - £20.00 psf	9% - 11%
F&B	£15.00 - £20.00 psf	10% - 11%
Serviced Office / Flexible Space	£10.00 - £15.00 psf	8% - 9.5%

Source: AVL, 2023.

Appendix 1 – AVL Bedworth Town Centre Market Report 2021

Appendix 2 – AVL Comparable Evidence

London | Leeds | Liverpool
Newcastle | Birmingham

Property | Infrastructure | Planning
Development | Regeneration

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consultants

Appendix 2 – Gleeds Order of Cost Estimate


Bedworth Market, Bedworth

Nuneaton & Bedworth Council

BMCMXXXX
Version 1.0

Confidential - 25th September 2023

Document control

Project name	Bedworth Market, Bedworth	Project number	BMCMXXXX
Date of Issue	25/09/2023	Version number	1
Reason for issue	Request of Client		
Document author	Richard Fletcher	Grade	Quantity Surveyor
Signature			
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Approved by	Daniel Mason	Grade	Project Director
Signature			
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Distribution to			
Related project documents	N/A		

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2.0 Pricing Summary

3.0 Pricing Notes

4.0 Order of Cost Breakdown

1

Executive Summary



Introduction

Nuneaton and Bedworth Council have commissioned Gleeds Cost Management to undertake a cost planning exercise for the revitalisation of the existing Bedworth market, the redevelopment of the All Saints Square and an additional option to demolish and redevelopment the existing market site to provide a 32 unit apartment building.

Estimated Costs

There are 3 sections that have been proposed, these are as follows:

- Market Building Refurbishment
- Market Building Apartment Redevelopment
- All Saints Square Development

As detailed above, Gleeds Cost Management was tasked with producing a high-level order of cost summary. The current cost estimate of the proposed works with the respective options are as follows:

Market Building Refurbishment	£ 1,498,000	to	£ 1,823,000
Market Building Apartment Redevelopment	£ 8,483,000		
All Saints Square Development	£ 1,020,000	to	£ 4,520,000

A detailed breakdown of the above cost can be found in Section 5: Order of Costs.

See Section 3: Pricing Notes for a detailed list of exclusions.

It must be noted that the design is at an early stage (RIBA Stage 0) and is limited in detail with regard to specification and design.

Conclusion/Recommendation

The proposed cost estimate along with each of the options are to be considered by the team and Client to establish affordability and options to be taken further.

2

Pricing Summary

Summary

Construction Cost

		Total Cost		Cost per m2	
Bedworth Market Building					
	Option 1	£	1,498,000	£	1,151
	Option 2	£	1,823,000	£	1,400
	Option 3	£	1,538,000	£	1,181
	Option 4	£	1,569,000	£	1,205
	Option 5	£	1,718,000	£	1,320
Bedworth Market Building - Total Cost		Range			
		Highest	£ 1,823,000	£	1,400
		Lowest	£ 1,498,000	£	1,151
Market Building - Apartment		£	8,483,000	£	3,123
Market Building - Apartment		£	8,483,000	£	3,123
All Saints Square					
	Option 1 - Apartments	£	4,366,000	£	3,030
	Option 2 - Duplex Units	£	4,312,000	£	3,028
	Option 3 - Townhouses	£	3,718,000	£	2,686
	Option 4 - Flexible Space/Apartments	£	4,520,000	£	3,046
	Option 5 - Incubation Units	£	1,641,000	£	3,713
	Option 6 - Market Space	£	1,020,000	£	2,308
	Option 6 - Market Space (Option 1 Umbrella Canopies)	£	1,258,000	£	2,846
	Option 6 - Market Space (Option 2 Long Pitched Roofs)	£	1,020,000	£	2,308
	Option 6 - Market Space (Option 3 Single Pitched Roof)	£	1,143,000	£	2,586
	Option 6 - Market Space (Option 4 Asymmetric Roof Profiles)	£	1,418,000	£	3,208
All Saints Square - Total Cost		Range			
		Highest	£ 4,520,000	£	3,046
		Lowest	£ 1,020,000	£	2,308

*The Total Cost is dependent on the option selected above

*The above costs are exclusive of Professional Fees, Survey Fees, Local Authority Fees, Legal & Agency Fees and Development Management Fees. VAT is excluded.

3

Pricing Notes

Ref.	Notes
1.0	General Pricing notes
1.1	The design is at RIBA Stage 0.
1.2	Pricing is as of 3Q2023 cost plan but with an accuracy range of +/-10% for pricing & design risk.
1.3	Assumed areas of circulation has been included.
1.4	No allowance has been made for professional and legal fees.
1.5	A contingency of 10% has been allowed.
1.6	Provisional Allowances for utility connections have been included. No allowance has been made for diversion or reinforcement works.
2.0	Market Building Refurbishment
2.1	Allowance for decorative improvements to the existing market facades only.
2.2	Allowance for minor improvements to pedestrian access.
2.3	Allowance for minor remediation to the existing market structure.
2.4	No allowance has been made for improvements to the existing roof.
2.5	Assume individual market stalls do not have roofs and are 'open'.
3.0	Market Building Apartment Redevelopment Pricing notes
3.1	Provision for undercroft parking has been allowed for on the Market Building apartment option.
3.2	A medium level specification for appliances etc to apartments has been assumed.
3.3	Section 278 work allowance has been made.
4.0	All Saints Square Pricing notes
4.1	A medium level specification for appliances etc to apartments has been assumed.
4.2	Decorative shutters to the market have been included.
4.3	An uplift has been included for penthouse house apartment units.
4.4	We assume the market spaces on option 6 are all open. No façade works or enclosure requirements are included.
4.5	We assume roof forms are non bespoke and readily available to construct.
4.6	Allowance for the demolition of the existing units
	Exclusions
	The following items are excluded from the costs:-
5.0	Financial, Legal & Statutory Related Exclusions
5.1	Land acquisition costs.
5.2	VAT
5.3	Finance costs during construction.
5.4	Funding costs.
5.5	Party Wall Act 1996, covenant, rights of light, rights of way, etc.
5.6	Section agreements generally to include s.106 and CIL.
5.7	Planning & Building Control fees and charges.
5.8	No inflation has been included.
5.9	Exchange rate/market fluctuations following the UK leaving the EU.
5.10	Allowances for Employer change risks, design development and the like
5.11	No risk allowances have been included in this cost plan for potential risks caused as a consequence of the coronavirus (COVID-19) outbreak. It is therefore, recommended that the client makes sufficient budgetary allowances for such risks in their investment or development appraisal for the project.

5.12	<p>Gleeds' construction cost forecasts are based on the latest information available from the supply chain. We would, however, highlight the significant recent volatility in costs and supply shortages driven by the longer term effects of the COVID-19 pandemic, Brexit, and the Russia-Ukraine war, coupled with ongoing delivery challenges due to skills shortages. The predicted fall in construction output, which tends to stabilise pricing levels, has not materialised with the UK reported to be avoiding recession in 2023. Public sector demand is holding up, with capital investment being reaffirmed in the spring budget, but private sector investment is being impacted by the combined effects of high interest rates and inflation, particularly in the housing sector. The construction industry, like the rest of the UK economy, will continue to be impacted by changes in global forces — notably the Ukraine war and the progress of the Chinese economy.</p> <p>Project supply conditions are improving, reflecting greater availability of construction products and materials, alongside fewer logistics bottlenecks, though labour shortages remain a major challenge. The market is now being characterised by both regional and sector variations based on project pipelines which directly influence risk acceptance and appetite. As a result, we highlight that Gleeds advice is current at the date of issue but, by necessity, is subject to alteration due to changing market conditions and disruptors. We therefore recommend a regular review of project costs to account for the latest feedback from the market.</p>
6.0	<p>Site Related Exclusions</p> <p>6.1 Contamination and asbestos measures generally.</p> <p>6.2 Abnormal ground conditions.</p> <p>6.3 Himalayan Balsam and Japanese Knotweed removal/treatment</p> <p>6.4 Reinforcement of the incoming mains services infrastructure</p> <p>6.5 Works related to works to adjacent buildings or high street.</p>
7.0	<p>Construction Related Exclusions</p> <p>7.1 BREEAM Very Good, Passivhaus and Net Zero Carbon.</p> <p>7.2 Fire Strategy - cost arising from implementation of recommendations contained within detailed Fire Strategy document or requested by Fire Officers through Building Control approval process.</p> <p>7.3 Green roof and solar shading</p> <p>7.4 Pumped drainage</p> <p>7.5 No allowance for PV or alternatives</p> <p>7.6 EV Charging.</p>
8.0	<p>Mechanical & Electrical Related Exclusions</p> <p>8.1 Renewables, beyond the requirements needed for Part L.</p> <p>8.2 Diversion / termination of any existing services crossing / adjacent the site</p> <p>8.3 External hydrants.</p> <p>8.4 Acoustic screening of plant</p> <p>8.5 Firefighting lifts</p> <p>8.6 Upgrades to existing utility capacities.</p>
9.0	<p>Fit Out Related Exclusions</p> <p>9.1 Any specialist equipment.</p> <p>9.2 Car park management system (by Tenant)</p> <p>9.3 Specialist firefighting systems (by Tenant)</p> <p>9.4 White goods to residences (by Tenant)</p> <p>9.5 No furnishings to residences</p>
10.0	<p>Documentation Used</p> <p>Bedworth Market, Bedworth - Concept Document and Feasibility Study - 36612 - August 20123 Rev 1</p>

4

Order of Costs

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
General site preparation for construction	1,302	m²	£ 20.00	£ 26,040	
Hoarding to perimeter of the site	146	m	£ 100.00	£ 14,600	
Construction Works					
Units	358	m²	£ 750.00	£ 268,500	
Multi-purpose Area	197	m²	£ 200.00	£ 39,400	
Seating Area	72	m²	£ 250.00	£ 18,000	
Circulation	675	m²	£ 200.00	£ 135,000	
M&E Allowance	1,302	m²	£ 200.00	£ 260,400	
Decorative improvements to the existing façade	1,302	m²	£ 20.00	£ 26,040	
Abnormals					
Seating	1	item	£ 25,000.00	£ 25,000	
Trees; Internal	4	nr	£ 2,000.00	£ 8,000	
Tress; External	3	nr	£ 1,500.00	£ 4,500	
Primary Access Shutters	2	nr	£ 5,000.00	£ 10,000	
Secondary Access Shutters	6	nr	£ 2,500.00	£ 15,000	
General Site Demolition/Remediation Allowance	1,302	m²	£ 50.00	£ 65,100	
External Works					
Spill Out Area	199	m²	£ 200.00	£ 39,800	
Upgrades to to existing pedestrian crossings and access	1	item	£ 100,000.00	£ 100,000	
Section 278 Works	1	item	£ 25,000.00	£ 25,000	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
Gas	-	item	£ 7,500.00	£ -	Excluded
Electricity	1	item	£ 10,000.00	£ 10,000	Provisional Sum for improvements to existing
Telecoms	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
BWIC			5%	£ 1,000	
				£ 1,101,380	
Subtotal				£ 1,101,380	
Preliminaries	15	%	£ 1,101,380	£ 165,207	
OH&P	7.5	%	£ 1,266,587	£ 94,994	
Estimated Construction Cost				£ 1,361,581	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 1,361,581	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 1,361,581	
VAT				£ -	Excluded.
TOTAL				£ 1,361,581	
Contingency			10%	£ 136,158.11	
TOTAL (Incl.Contingency)				£ 1,497,739.22	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
General site preparation for construction	1,302	m ²	£ 20.00	£ 26,040	
Hoarding to perimeter of the site	146	m	£ 100.00	£ 14,600	
Construction Works					
Units	429	m ²	£ 750.00	£ 321,750	
Multi-purpose Area	207	m ²	£ 200.00	£ 41,400	
Seating Area	78	m ²	£ 250.00	£ 19,500	
Circulation	592	m ²	£ 200.00	£ 118,400	
M&E Allowance	1,302	m ²	£ 200.00	£ 260,400	
Decorative improvements to the existing façade	1,302	m ²	£ 20.00	£ 26,040	
Abnormals					
Seating	1	item	£ 25,000.00	£ 25,000	
Pop Up units	4	nr	£ 12,500.00	£ 50,000	Excludes loose FF&E itemss
Entertainment Area; Screen, Stage etc	1	item	£ 150,000.00	£ 150,000	
Primary Access Shutters	2	nr	£ 5,000.00	£ 10,000	
Secondary Access Shutters	5	nr	£ 2,500.00	£ 12,500	
General Site Demolition/Remidiation Allowance	1,302	m ²	£ 50.00	£ 65,100	
External Works					
Spill Out Area	199	m ²	£ 200.00	£ 39,800	
Trees	7	nr	£ 2,000.00	£ 14,000	
Upgrades to to existing pedestrian crossings and access	1	item	£ 100,000.00	£ 100,000	
Section 278 Works	1	item	£ 25,000.00	£ 25,000	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
Gas	-	item	£ 7,500.00	£ -	Excluded
Electricity	1	item	£ 10,000.00	£ 10,000	Provisional Sum for improvements to existing
Telecoms	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
BWIC			5%	£ 1,000	
				£ 1,340,530	
Subtotal				£ 1,340,530	
Preliminaries	15	%	£ 1,340,530	£ 201,080	
OH&P	7.5	%	£ 1,541,610	£ 115,621	
Estimated Construction Cost				£ 1,657,230	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 1,657,230	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 1,657,230	
VAT				£ -	Excluded.
TOTAL				£ 1,657,230	
Contingency			10%	£ 165,723.03	
TOTAL (Incl.Contingency)				£ 1,822,953.33	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
General site preparation for construction	1,302	m ²	£ 20.00	£ 26,040	
Hoarding to perimeter of the site	146	m	£ 100.00	£ 14,600	
Construction Works					
Units	320	m ²	£ 750.00	£ 240,000	
Multi-purpose Area	276	m ²	£ 200.00	£ 55,200	
Seating Area	184	m ²	£ 250.00	£ 46,000	
Circulation	532	m ²	£ 200.00	£ 106,400	
M&E Allowance	1,302	m ²	£ 200.00	£ 260,400	
Decorative improvements to the existing façade	1,302	m ²	£ 20.00	£ 26,040	
Abnormals					
Seating	1	item	£ 25,000.00	£ 25,000	
Pop Up Units	4	nr	£ 12,500.00	£ 50,000	
Primary Access Shutters	2	nr	£ 5,000.00	£ 10,000	
Secondary Access Shutters	8	nr	£ 2,500.00	£ 20,000	
General Site Demolition/Remediation Allowance	1,302	m ²	£ 50.00	£ 65,100	
External Works					
Delivery/BOH Area	199	m ²	£ 150.00	£ 29,850	
Trees	5	nr	£ 2,000.00	£ 10,000	
Upgrades to to existing pedestrian crossings and access	1	item	£ 100,000.00	£ 100,000	
Section 278 Works	1	item	£ 25,000.00	£ 25,000	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
Gas	-	item	£ 7,500.00	£ -	Excluded
Electricity	1	item	£ 10,000.00	£ 10,000	Provisional Sum for improvements to existing
Telecoms	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
BWIC			5%	£ 1,000	
				£ 1,130,630	
Subtotal				£ 1,130,630	
Preliminaries	15	%	£ 1,130,630	£ 169,595	
OH&P	7.5	%	£ 1,300,225	£ 97,517	
Estimated Construction Cost				£ 1,397,741	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 1,397,741	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 1,397,741	
VAT				£ -	Excluded.
TOTAL				£ 1,397,741	
Contingency			10%	£ 139,774.14	
TOTAL (Incl.Contingency)				£ 1,537,515.56	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
General site preparation for construction	1,302	m²	£ 20.00	£ 26,040	
Hoarding to perimeter of the site	146	m	£ 100.00	£ 14,600	
Construction Works					
Units	333	m²	£ 750.00	£ 249,750	
Multi-purpose Area	118	m²	£ 200.00	£ 23,600	
Seating Area	95	m²	£ 250.00	£ 23,750	
Circulation	747	m²	£ 200.00	£ 149,400	
M&E Allowance	1,302	m²	£ 200.00	£ 260,400	
Decorative improvements to the existing façade	1,302	m²	£ 20.00	£ 26,040	
Abnormals					
Seating	1	item	£ 25,000.00	£ 25,000	
Trees	7	nr	£ 2,000.00	£ 14,000	
Additional Pop Up Areas	3	nr	£ 5,000.00	£ 15,000	
Pop Up Units	4	nr	£ 12,500.00	£ 50,000	
Primary Access Shutters	2	nr	£ 5,000.00	£ 10,000	
Secondary Access Shutters	6	nr	£ 2,500.00	£ 15,000	
General Site Demolition/Remediation Allowance	1,302	m²	£ 50.00	£ 65,100	
External Works					
Spill Out Area	199	m²	£ 200.00	£ 39,800	
Upgrades to to existing pedestrian crossings and access	1	item	£ 100,000.00	£ 100,000	
Section 278 Works	1	item	£ 25,000.00	£ 25,000	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
Gas	-	item	£ 7,500.00	£ -	Excluded
Electricity	1	item	£ 10,000.00	£ 10,000	Provisional Sum for improvements to existing
Telecoms	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
BWIC			5%	£ 1,000	
				£ 1,153,480	
Subtotal				£ 1,153,480	
Preliminaries	15	%	£ 1,153,480	£ 173,022	
OH&P	7.5	%	£ 1,326,502	£ 99,488	
Estimated Construction Cost				£ 1,425,990	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 1,425,990	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 1,425,990	
VAT				£ -	Excluded.
TOTAL				£ 1,425,990	
Contingency			10%	£ 142,598.97	
TOTAL (Incl.Contingency)				£ 1,568,588.71	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
General site preparation for construction	1,302	m²	£ 20.00	£ 26,040	
Hoarding to perimeter of the site	146	m	£ 100.00	£ 14,600	
Construction Works					
Units	294	m²	£ 750.00	£ 220,500	
Multi-purpose Area	146	m²	£ 200.00	£ 29,200	
Seating Area	154	m²	£ 250.00	£ 38,500	
Circulation	594	m²	£ 200.00	£ 118,800	
M&E Allowance	1,302	m²	£ 200.00	£ 260,400	
Decorative improvements to the existing façade	1,302	m²	£ 20.00	£ 26,040	
Abnormals					
Seating	1	item	£ 25,000.00	£ 25,000	
Pop Up Units	6	nr	£ 12,500.00	£ 75,000	
Entertainment Area; Screen, Stage etc.	1	item	£ 150,000.00	£ 150,000	
Primary Access Shutters	2	nr	£ 5,000.00	£ 10,000	
Secondary Access Shutters	8	nr	£ 2,500.00	£ 20,000	
General Site Demolition/Remediation Allowance	1,302	m²	£ 50.00	£ 65,100	
External Works					
Delivery/BOH Area	199	m²	£ 150.00	£ 29,850	
Trees	4	nr	£ 2,000.00	£ 8,000	
Upgrades to to existing pedestrian crossings and access	1	item	£ 100,000.00	£ 100,000	
Section 278 Works	1	item	£ 25,000.00	£ 25,000	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
Gas	-	item	£ 7,500.00	£ -	Excluded
Electricity	1	item	£ 10,000.00	£ 10,000	Provisional Sum for improvements to existing
Telecoms	1	item	£ 5,000.00	£ 5,000	Provisional Sum for improvements to existing
BWIC			5%	£ 1,000	
				£ 1,263,030	
Subtotal				£ 1,263,030	
Preliminaries	15	%	£ 1,263,030	£ 189,455	
OH&P	7.5	%	£ 1,452,485	£ 108,936	
Estimated Construction Cost				£ 1,561,421	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 1,561,421	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 1,561,421	
VAT				£ -	Excluded.
TOTAL				£ 1,561,421	
Contingency			10%	£ 156,142.09	
TOTAL (Incl.Contingency)				£ 1,717,563.01	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of Existing Market	6,510	m³	£ 20.00	£ 130,200	
General site preparation for construction	2,384	m²	£ 20.00	£ 47,680	
Hoarding to perimeter of the site	200	m	£ 100.00	£ 20,000	
Construction Works					
2 Bed - 70sqm	20	nr	£ 160,000.00	£ 3,200,000	
1 Bed - 50sqm	12	nr	£ 115,000.00	£ 1,380,000	
Entrance Area	67	m²	£ 2,000.00	£ 134,000	
Circulation	395	m²	£ 1,500.00	£ 592,500	
Back of House	104	m²	£ 1,500.00	£ 156,000	
Bin Store	65	m²	£ 500.00	£ 32,500	
Cycle Store	131	m²	£ 500.00	£ 65,500	
Abnormals					
Undercroft Car Parking	13	nr	£ 12,500.00	£ 162,500	
External Works					
Resident Courtyard Space	334	m²	£ 200.00	£ 66,800	
Pedestrian Footpath	596	m²	£ 120.00	£ 71,520	
Soft Landscaping	402	m²	£ 30.00	£ 12,060	
S278 Works	1	item	£ 100,000.00	£ 100,000	
Trees	24	nr	£ 1,200.00	£ 28,800	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 7,500.00	£ 7,500	Provisional Sum
Gas	1	item	Excl.	£ -	
Electricity	1	item	£ 20,000.00	£ 20,000	Provisional Sum
Telecoms	1	item	£ 10,000.00	£ 10,000	Provisional Sum
BWIC			5%	£ -	
				£ 6,237,560	
Subtotal				£ 6,237,560	
Preliminaries	15	%	£ 6,237,560	£ 935,634	
OH&P	7.5	%	£ 7,173,194	£ 537,990	
Estimated Construction Cost				£ 7,711,184	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 7,711,184	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 7,711,184	
VAT				£ -	Excluded.
TOTAL				£ 7,711,184	
Contingency			10%	£ 771,118.36	
TOTAL (Incl.Contingency)				£ 8,482,302.00	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	639	m²	£ 20.00	£ 12,780	
Hoarding to perimeter of the site	114	m	£ 100.00	£ 11,400	
Construction Works					
3 Bed - 93sqm	4	nr	£ 210,000.00	£ 840,000	
2 Bed - 70sqm	2	nr	£ 160,000.00	£ 320,000	
1 Bed - 50sqm	9	nr	£ 115,000.00	£ 1,035,000	
1 Bed Studio - 40sqm	1	nr	£ 90,000.00	£ 90,000	
Entrance Area	57	m²	£ 2,000.00	£ 114,000	
Circulation	130	m²	£ 1,500.00	£ 195,000	
Back of House	191	m²	£ 1,500.00	£ 286,500	
Abnormals					
Private Roof Terraces for "Penthouse" apartments	58	m²	£ 1,000.00	£ 58,000	
Bin/Bike Store at the rear	1	item	£ 20,000.00	£ 20,000	
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
				£ 3,209,980	
Subtotal				£ 3,209,980	
Preliminaries	15	%	£ 3,209,980	£ 481,497	
OH&P	7.5	%	£ 3,691,477	£ 276,861	
Estimated Construction Cost				£ 3,968,338	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		Assumed start 1Q 2025
Estimated Start on Site	1Q25		401	4.16%	Midpoint to Inflation
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 3,968,338	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 3,968,338	
VAT				£ -	Excluded.
TOTAL				£ 3,968,338	
Contingency			10%	£ 396,833.79	
TOTAL (Incl.Contingency)				£ 4,365,171.64	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	655	m²	£ 20.00	£ 13,100	
Hoarding to perimeter of the site	116	m	£ 100.00	£ 11,600	
Construction Works					
3 Bed - 93sqm	4	nr	£ 210,000.00	£ 840,000	
2 Bed - 70sqm	2	nr	£ 160,000.00	£ 320,000	
2 Bed Duplex - 80sqm	5	nr	£ 180,000.00	£ 900,000	
1 Bed Studio - 40sqm	1	nr	£ 90,000.00	£ 90,000	
Entrance Area	73	m²	£ 2,000.00	£ 146,000	
Circulation	132	m²	£ 1,500.00	£ 198,000	
Back of House	231	m²	£ 1,500.00	£ 346,500	
Abnormals					
Private Roof Terraces for "Penthouse" apartments	58	item	£ 1,000.00	£ 58,000	
Bin/Bike Store at the rear	1	item	£ 20,000.00	£ 20,000	
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	Provisional Sum
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
				£ 3,170,500	
Subtotal				£ 3,170,500	
Preliminaries	15	%	£ 3,170,500	£ 475,575	
OH&P	7.5	%	£ 3,646,075	£ 273,456	
Estimated Construction Cost				£ 3,919,531	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 3,919,531	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 3,919,531	
VAT				£ -	Excluded.
TOTAL				£ 3,919,531	
Contingency			10%	£ 391,953.07	
TOTAL (Incl.Contingency)				£ 4,311,483.78	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	655	m²	£ 20.00	£ 13,100	
Hoarding to perimeter of the site	116	m	£ 100.00	£ 11,600	
Construction Works					
3/4 Bed - 140sqm	7	nr	£ 330,000.00	£ 2,310,000	
Abnormals					
Private Roof Terraces for "Penthouse" apartments	152	m²	£ 1,000.00	£ 152,000	
Bin/Bike Store at the rear	1	item	£ 20,000.00	£ 20,000	
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	Provisional Sum
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
				£ 2,734,000	
Subtotal				£ 2,734,000	
Preliminaries	15	%	£ 2,734,000	£ 410,100	
OH&P	7.5	%	£ 3,144,100	£ 235,808	
Estimated Construction Cost				£ 3,379,908	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 3,379,908	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 3,379,908	
VAT				£ -	Excluded.
TOTAL				£ 3,379,908	
Contingency			10%	£ 337,990.76	
TOTAL (Incl.Contingency)				£ 3,717,898.34	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	656	m²	£ 20.00	£ 13,120	
Hoarding to perimeter of the site	116	m	£ 100.00	£ 11,600	
Construction Works					
1 Bed - 50sqm	5	nr	£ 115,000.00	£ 575,000	
2 Bed - 70sqm	2	nr	£ 160,000.00	£ 320,000	
3 Bed - 93sqm	4	nr	£ 210,000.00	£ 840,000	
Flexible Area/Entrance Area	411	m²	£ 2,000.00	£ 822,000	
Circulation	95	m²	£ 1,500.00	£ 142,500	
Back of House	196	m²	£ 1,500.00	£ 294,000	
Abnormals					
Private Roof Terraces for "Penthouse" apartments	58	m²	£ 1,000.00	£ 58,000	
Bin/Bike Store at the rear	1	item	£ 20,000.00	£ 20,000	
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	Provisional Sum
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
Subtotal				£ 3,323,520	
				£ 3,323,520	
Preliminaries	15	%	£ 3,323,520	£ 498,528	
OH&P	7.5	%	£ 3,822,048	£ 286,654	
Estimated Construction Cost				£ 4,108,702	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 4,108,702	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 4,108,702	
VAT				£ -	Excluded.
TOTAL				£ 4,108,702	
Contingency			10%	£ 410,870.17	
TOTAL (Incl.Contingency)				£ 4,519,571.85	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	587	m²	£ 20.00	£ 11,740	
Hoarding to perimeter of the site	110	m	£ 100.00	£ 11,000	
Construction Works					
Incubation Units	450	m²	£ 2,000.00	£ 900,000	
Abnormals					
Sawtooth Roofs	450	m²	£ 125.00	£ 56,250	
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	Provisional Sum
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
				£ 1,206,290	
Subtotal				£ 1,206,290	
Preliminaries	15	%	£ 1,206,290	£ 180,944	
OH&P	7.5	%	£ 1,387,234	£ 104,043	
Estimated Construction Cost				£ 1,491,276	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 1,491,276	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 1,491,276	
VAT				£ -	Excluded.
TOTAL				£ 1,491,276	
Contingency			10%	£ 149,127.61	
TOTAL (Incl.Contingency)				£ 1,640,403.71	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	587	m²	£ 20.00	£ 11,740	
Hoarding to perimeter of the site	110	m	£ 100.00	£ 11,000	
Construction Works					
Market Space	450	m²	£ 1,000.00	£ 450,000	
Abnormals					
Retractable Shutters and gates	1	item	£ 50,000.00	£ 50,000	
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	Provisional Sum
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
				£ 750,040	
Subtotal				£ 750,040	
Preliminaries	15	%	£ 750,040	£ 112,506	
OH&P	7.5	%	£ 862,546	£ 64,691	
Estimated Construction Cost				£ 927,237	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 927,237	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 927,237	
VAT				£ -	Excluded.
TOTAL				£ 927,237	
Contingency			10%	£ 92,723.70	
TOTAL (Incl.Contingency)				£ 1,019,960.74	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	587	m²	£ 20.00	£ 11,740	
Hoarding to perimeter of the site	110	m	£ 100.00	£ 11,000	
Construction Works					
Market Space	450	m²	£ 500.00	£ 225,000	
Abnormals					
Umbrella Canopies	450	m²	£ 1,000.00	£ 450,000	Assume steel structure.
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	Provisional Sum
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
				£ 925,040	
Subtotal				£ 925,040	
Preliminaries	15	%	£ 925,040	£ 138,756	
OH&P	7.5	%	£ 1,063,796	£ 79,785	
Estimated Construction Cost				£ 1,143,581	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 1,143,581	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 1,143,581	
VAT				£ -	Excluded.
TOTAL				£ 1,143,581	
Contingency			10%	£ 114,358.08	
TOTAL (Incl.Contingency)				£ 1,257,938.86	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	587	m²	£ 20.00	£ 11,740	
Hoarding to perimeter of the site	110	m	£ 100.00	£ 11,000	
Construction Works					
Market Space	450	m²	£ 1,000.00	£ 450,000	
Abnormals					
Long Pitched Roofs	450	m²	Incl.	£ -	
Retractable Shutters and gates	1	item	£ 50,000.00	£ 50,000	
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	Provisional Sum
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
				£ 750,040	
Subtotal				£ 750,040	
Preliminaries	15	%	£ 750,040	£ 112,506	
OH&P	7.5	%	£ 862,546	£ 64,691	
Estimated Construction Cost				£ 927,237	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 927,237	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 927,237	
VAT				£ -	Excluded.
TOTAL				£ 927,237	
Contingency			10%	£ 92,723.70	
TOTAL (Incl.Contingency)				£ 1,019,960.74	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	587	m²	£ 20.00	£ 11,740	
Hoarding to perimeter of the site	110	m	£ 100.00	£ 11,000	
Construction Works					
Market Space	450	m²	£ 1,000.00	£ 450,000	
Abnormals					
Single Pitched Roof; assume polycarbonate panel	450	m²	£ 200.00	£ 90,000	
Retractable Shutters and gates	1	item	£ 50,000.00	£ 50,000	
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	Provisional Sum
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
				£ 840,040	
Subtotal				£ 840,040	
Preliminaries	15	%	£ 840,040	£ 126,006	
OH&P	7.5	%	£ 966,046	£ 72,453	
Estimated Construction Cost				£ 1,038,499	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 1,038,500	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 1,038,500	
VAT				£ -	Excluded.
TOTAL				£ 1,038,500	
Contingency			10%	£ 103,849.95	
TOTAL (Incl.Contingency)				£ 1,142,349.49	

Description	Quantity	Unit	Rate	Cost	Comments
Site Clearance					
Demolition of existing Units	3,252	m³	£ 50.00	£ 162,600	
General site preparation for construction	587	m²	£ 20.00	£ 11,740	
Hoarding to perimeter of the site	110	m	£ 100.00	£ 11,000	
Construction Works					
Market Space	450	m²	£ 1,000.00	£ 450,000	
Abnormals					
Asymmetric Roof Profiles	450	m²	£ 650.00	£ 292,500	
Retractable Shutters and gates	1	item	£ 50,000.00	£ 50,000	
External Works					
Entrances/defensible external space to street	96	m²	£ 200.00	£ 19,200	
Infrastructure					
Incoming Utilities					
Water	1	item	£ 10,000.00	£ 10,000	Provisional Sum
Gas	1	item	Excl.	£ -	Provisional Sum
Electricity	1	item	£ 30,000.00	£ 30,000	Provisional Sum
Telecoms	1	item	£ 3,500.00	£ 3,500	Provisional Sum
BWIC			5%	£ 2,000	
				£ 1,042,540	
Subtotal				£ 1,042,540	
Preliminaries	15	%	£ 1,042,540	£ 156,381	
OH&P	7.5	%	£ 1,198,921	£ 89,919	
Estimated Construction Cost				£ 1,288,840	
Inflation Indices	Quarter		Index		
Current BCIS TPI Index	3Q23		385		
Estimated Start on Site	1Q25		401	4.16%	Assumed start 1Q 2025
Estimated Completion Date 3Q27. Midpoint 3Q26	3Q26		418	4.24%	Midpoint to Inflation
Inflation Uplift					
1Q25 to Start on Site				Excluded	
During Construction				Excluded	
Subtotal - Construction Cost				£ 1,288,840	
Fees					
Professional Fees			0.0%	Excluded	
Survey Fees			0.0%	Excluded	
Local Authority Fees			0.0%	Excluded	
Legal & Agency Fees			0.0%	Excluded	
Development Management Fees			0.0%	Excluded	
Subtotal - Development Cost				£ 1,288,840	
VAT				£ -	Excluded.
TOTAL				£ 1,288,840	
Contingency			10%	£ 128,884.02	
TOTAL (Incl.Contingency)				£ 1,417,724.17	



Appendix 3 – BCIS Costs

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 09-Sep-2023 07:23

Rebased to Warwickshire (100; sample 119)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
810. Housing, mixed developments (15)	1,508	818	1,312	1,462	1,651	3,725	1261	
810.1 Estate housing								
Generally (15)	1,501	728	1,278	1,442	1,645	5,211	1422	
Single storey (15)	1,710	1,017	1,444	1,646	1,889	5,211	236	
2-storey (15)	1,443	728	1,252	1,400	1,582	3,146	1101	
3-storey (15)	1,575	935	1,312	1,494	1,802	3,074	80	
4-storey or above (15)	3,139	1,546	2,509	2,802	4,170	4,666	5	
810.11 Estate housing detached (15)	1,964	1,104	1,513	1,695	2,103	5,211	21	
810.12 Estate housing semi detached								
Generally (15)	1,512	882	1,293	1,475	1,649	3,372	355	
Single storey (15)	1,690	1,073	1,445	1,651	1,851	3,372	81	
2-storey (15)	1,458	882	1,280	1,419	1,598	2,588	262	
3-storey (15)	1,492	1,104	1,196	1,448	1,762	2,123	12	
810.13 Estate housing terraced								

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
Generally (15)	1,532	898	1,258	1,432	1,674	4,666	235	
Single storey (15)	1,752	1,133	1,459	1,802	2,064	2,468	19	
2-storey (15)	1,463	898	1,232	1,400	1,612	3,146	180	
3-storey (15)	1,603	935	1,299	1,466	1,783	3,074	34	
816. Flats (apartments)								
Generally (15)	1,771	877	1,470	1,668	1,998	6,063	853	
1-2 storey (15)	1,663	1,031	1,410	1,583	1,853	3,462	181	
3-5 storey (15)	1,751	877	1,464	1,666	1,979	3,703	571	
6 storey or above (15)	2,091	1,272	1,688	1,973	2,279	6,063	98	

£/M2 STUDY

Description: Rate per m2 gross internal floor area for the building Cost including prelims.

Last updated: 23-Sep-2023 07:35

Rebased to Warwickshire (100; sample 119)

MAXIMUM AGE OF RESULTS: DEFAULT PERIOD

Building function (Maximum age of projects)	£/m² gross internal floor area						Sample	
	Mean	Lowest	Lower quartiles	Median	Upper quartiles	Highest		
New build								
345. Shops								
Generally (30)	1,894	680	984	1,523	2,414	4,769	17	
1-2 storey (30)	1,917	680	983	1,573	2,456	4,769	16	

Appendix 4 – AVL Appraisals

2 - 4 All Saints Square Appraisal 2 (BCIS)

2 - 4 All Saints Square Appraisal 2 (BCIS)

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales
Market Sale Units	11	8,202	260.91	194,545	2,140,000

Rental Area Summary

	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV
Flexible Commercial Area (Indoor Market)	1	4,424	20.00	88,480	88,480	88,480

Investment Valuation

Flexible Commercial Area (Indoor Market)						
Current Rent	88,480	YP @	10.0000%	10.0000	884,800	

GROSS DEVELOPMENT VALUE

3,024,800

Additional Revenue

UKSPF			716,184			
				716,184		

NET REALISATION

3,740,984

OUTLAY

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost	
Construction Costs	15,971	157.25	2,511,439	2,511,439
Contingency		10.00%	251,144	251,144
Section 106 Costs				
CIL			60,960	
Section 106 Costs	11 un	3,000.00 /un	33,000	93,960

PROFESSIONAL FEES

Professional Fees	10.00%	276,258	276,258
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MARKETING & LETTING

Legal Fees	11 un	750.00 /un	8,250	
Marketing		3.00%	64,200	
Commercial Letting Agent Fee		10.00%	8,848	
Commercial Letting Legal Fee		5.00%	4,424	85,722

DISPOSAL FEES

Investment Agent Fee	1.00%	8,848	
Investment Legal Fee	0.50%	4,424	13,272

Additional Costs

Commercial Profit	15.00%	132,720	
Market Sale Profit	17.50%	374,500	507,220

TOTAL COSTS BEFORE FINANCE

3,739,015

FINANCE

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Construction		38,884	
Other		2,900	
Total Finance Cost			41,784

TOTAL COSTS

3,780,799

PROFIT

(39,815)

Performance Measures

2 - 4 All Saints Square Appraisal 2 (BCIS)

Profit on Cost%	-1.05%
Profit on GDV%	-1.32%
Profit on NDV%	-1.32%
Development Yield% (on Rent)	2.34%
Equivalent Yield% (Nominal)	10.00%
Equivalent Yield% (True)	10.66%
IRR% (without Interest)	0.66%
Rent Cover	-5 mths
Profit Erosion (finance rate 6.000)	N/A

2 - 4 All Saints Square Appraisal 1 (Gleeds)

2 - 4 All Saints Square Appraisal 1 (Gleeds)

Appraisal Summary for Phase 1

Currency in £

REVENUE

Sales Valuation	Units	ft²	Sales Rate ft²	Unit Price	Gross Sales		
Market Sale Units	11	8,202	260.91	194,545	2,140,000		
Rental Area Summary							
	Units	ft²	Rent Rate ft²	Initial MRV/Unit	Net Rent at Sale	Initial MRV	
Flexible Commercial Area (Indoor Market)	1	4,424	20.00	88,480	88,480	88,480	

Investment Valuation

Flexible Commercial Area (Indoor Market)							
Current Rent	88,480	YP @	10.0000%	10.0000	884,800		

GROSS DEVELOPMENT VALUE

3,024,800

Additional Revenue

UKSPF			716,184		716,184		
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NET REALISATION

3,740,984

OUTLAY

CONSTRUCTION COSTS

Construction	ft²	Build Rate ft²	Cost				
Construction Costs	15,971	257.26	4,108,702	4,108,702			
Contingency		10.00%	410,870		410,870		
Section 106 Costs							
CIL			60,960				
Section 106 Costs	11 un	3,000.00 /un	33,000		93,960		

PROFESSIONAL FEES

Professional Fees		10.00%	451,957		451,957		
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MARKETING & LETTING

Legal Fees	11 un	750.00 /un	8,250				
Marketing		3.00%	64,200				
Commercial Letting Agent Fee		10.00%	8,848				
Commercial Letting Legal Fee		5.00%	4,424				
					85,722		

DISPOSAL FEES

Investment Agent		1.00%	8,848				
Investment Legal Fee		0.50%	4,424				
					13,272		

Additional Costs

Commercial Profit		15.00%	132,720				
Market Sale Profit		17.50%	374,500				
					507,220		

TOTAL COSTS BEFORE FINANCE

5,671,703

FINANCE

Debit Rate 6.000%, Credit Rate 0.000% (Nominal)							
Construction			87,517				
Other			42,529				
Total Finance Cost					130,046		

TOTAL COSTS

5,801,749

PROFIT

(2,060,765)

Performance Measures

2 - 4 All Saints Square Appraisal 1 (Gleeds)

Profit on Cost%	-35.52%
Profit on GDV%	-68.13%
Profit on NDV%	-68.13%
Development Yield% (on Rent)	1.53%
Equivalent Yield% (Nominal)	10.00%
Equivalent Yield% (True)	10.66%
IRR% (without Interest)	327.85%
Rent Cover	-23 yrs -3 mths
Profit Erosion (finance rate 6.000)	N/A

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