



St Albans Civic Centre Opportunity Site Viability Study

Prepared on behalf of St Albans City & District Council
Final Report

Restricted Commercial

Date of Report April 2011

Knight Frank



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1 Introduction

- 1.1 Knight Frank LLP together with Broadway Malyan, Alan Baxter and Gardiner & Theobald was commissioned by St Albans City & District Council to undertake a viability study for the Civic Centre Opportunity Site in the centre of St Albans.
- 1.2 The aim of the study was to examine in more detail the masterplan proposals for the Civic Centre site that had been produced by Urban Practitioners as part of the St Albans City Vision.
- 1.3 The Council and its partners are keen to create a 'step change' in the delivery of the quality and distinctiveness of schemes within the City, and the Civic Centre site is viewed as a strategic development site within the city centre to help deliver this change.
- 1.4 The outputs of the work envisaged by the Council were as follows:
 - Identify site constraints and opportunities;
 - Identify the most appropriate mix of uses for the site;
 - Articulate the key design and movement principles;
 - Provide property market advice on the supply and demand factors by sector;
 - Produce design options for the site together with the proposed quantum of development and access and servicing solutions;
 - Financially appraise the design options;
 - Provide advice on delivery mechanisms, including phasing and land assembly, taking into account the pattern of landownership;
 - Comment on the marketing and procurement strategy required to bring forward both public and private sector land holdings within the site; and
 - Present an indicative timetable for delivery, identifying inter-dependencies between land parcels.



- 1.5 It is envisaged that the Council will prepare a Planning Brief for the site, which could be adopted as a Supplementary Planning Document in due course.
- 1.6 The report is structured as follows:
- Section 2: The Site – provides an overview of the site’s location and character, detailing the buildings and landscape features;
 - Section 3: Planning Context – presents the key planning designations, allocations and planning policies that are material in considering development options for the site;
 - Section 4: Property Market Review – sets out an assessment of the supply and demand dynamics for each key use and the opportunities for the Civic Centre site;
 - Section 5: Urban Design Analysis – identifies the key issues and opportunities with designing the site to create a more success urban environment;
 - Section 6: Development Options – presents several options for both a comprehensive design solution, as well as landowners bringing forward sites individually;
 - Section 7: Financial Appraisal of Options – provides advice on the viability of the design options and the deliverability of options, and various sub-options for the Civic Centre and Alban Arena;
 - Section 8: Delivery Strategy – sets out how the site can be delivered either individually or collectively and the procurement issues involved; and
 - Section 9: Summary and Recommendations – presents the key points arising from the study, and recommendations for taking the site forward in terms of both the planning strategy and procurement options.
- 1.7 The report is marked “Restricted Commercial” as the contents contain commercially sensitive information to the Council and its partners. For this reason we would recommend that the report is not disclosed as part of any requests under the Freedom of Information Act, as this could prejudice the commercial interests of landowners.



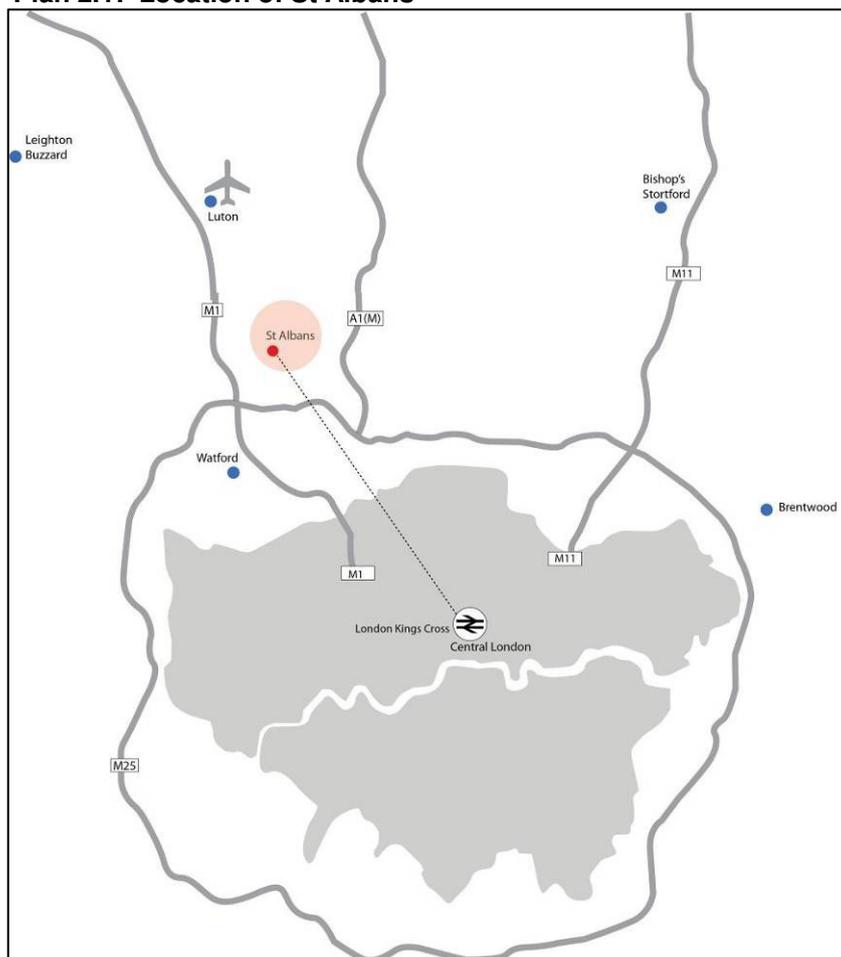
- 1.8 It should be noted that Knight Frank or the sub-consultancy team have not been asked by St Albans City & District Council to make any comments informally or formally on any planning applications within the City centre that may have been submitted or determined over the period of the commission.



2 The Site

- 2.1 St Albans is a historic city with Roman heritage located in south Hertfordshire adjacent to the M1 and M25 motorways, with good accessibility to central London via its railway station.

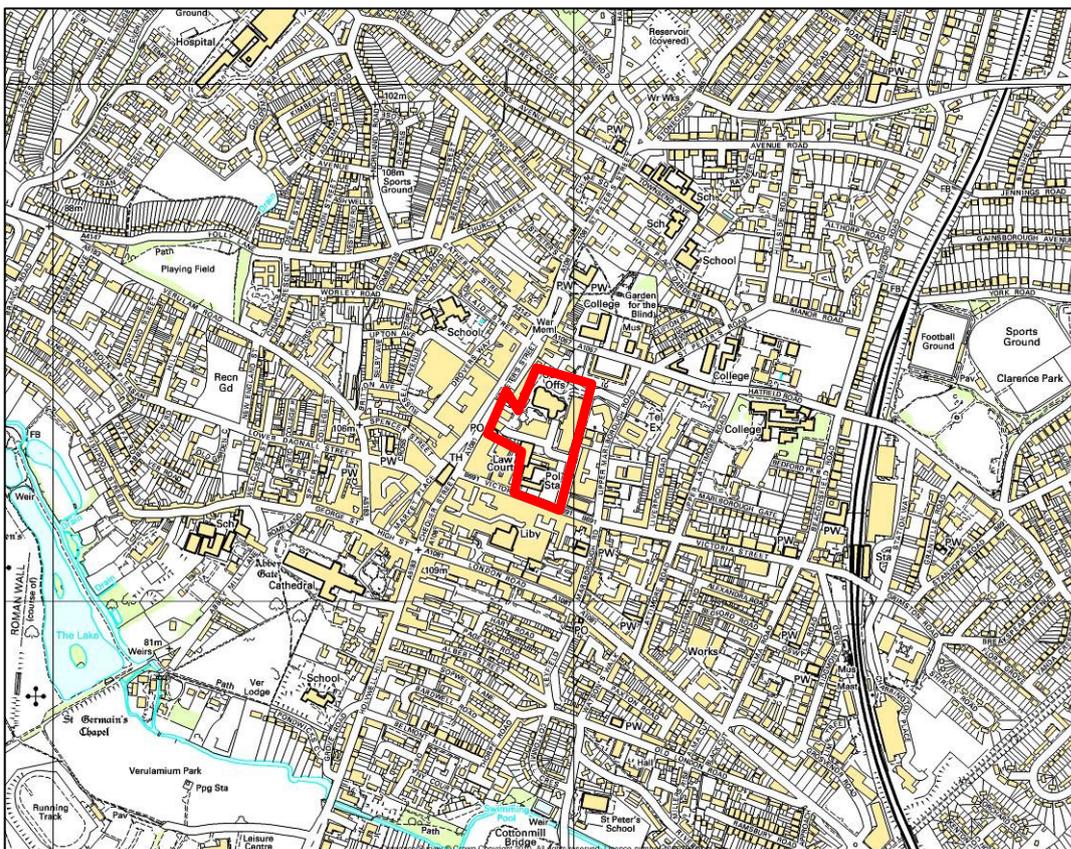
Plan 2.1: Location of St Albans



- 2.2 The Civic Centre Opportunity Site is located to the east of St Peter's Street in the centre of St Albans, as shown on the plan below. The site has good accessibility to the rail station, which is located approximately 600 metres to the east.



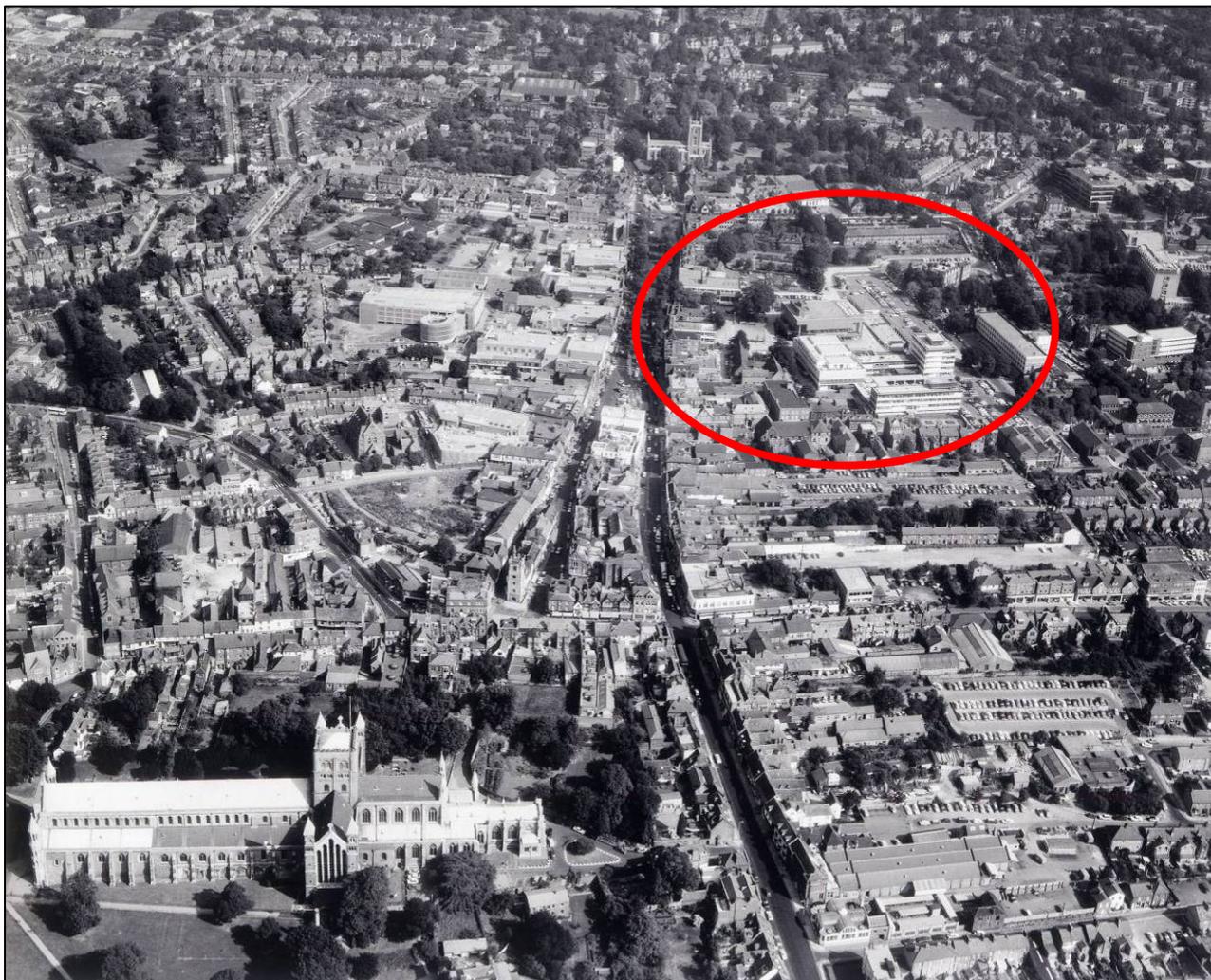
Plan 2.2: Location of Civic Centre Opportunity Site



- 2.3 The interior of the site was developed much later than the rest of St Albans city centre and was developed more comprehensively in the 1960s to create a campus for Hertfordshire County Council and other municipal buildings plus associated car parking. Before then the site was characterised by villas with large gardens to the rear. The site remained semi-rural in nature as late as the 1930s, which made it a suitable site for the re-erection of Waterend Barn.
- 2.4 The aerial photograph below shows St Albans in 1971, which was before the Council offices were developed.



Plan 2.3: Aerial Photograph of St Albans, 1971



Source: NMR

- 2.5 The Civic Centre Opportunity Site extends to approximately 3 hectares (7.4 acres) as shown in the plan below, comprising a number of existing buildings, car parking areas and landscape features, including a park and trees.



Plan 2.4: Civic Centre Opportunity Site



2.6 The site has a number of landowners, as detailed on Plan 2.5 below. These include:

- St Albans City & District Council – which owns the Council offices, multi-storey car park, Alban Arena and Municipal Gardens;
- Hertfordshire Police Authority – which owns the Police Station at Victoria Street;
- Antringham Verulamium – which owns the Hertfordshire House/surface car park site at Bricket Road/Victoria Street;
- Hertfordshire Primary Care Trust – which owns the health centre at Civic Close;
- Ministry of Justice – which owns the Law Courts at Civic Close;
- PRUPIM (Prudential plc) – which owns Locket House, St Peter's Street;
- Nationwide Building Society – which owns The Grange, St Peter's Street;
- Shanpark Ltd – which owns Forrester House, St Peter's Street;
- Amalgamated Berkshire Properties Ltd – which owns the office



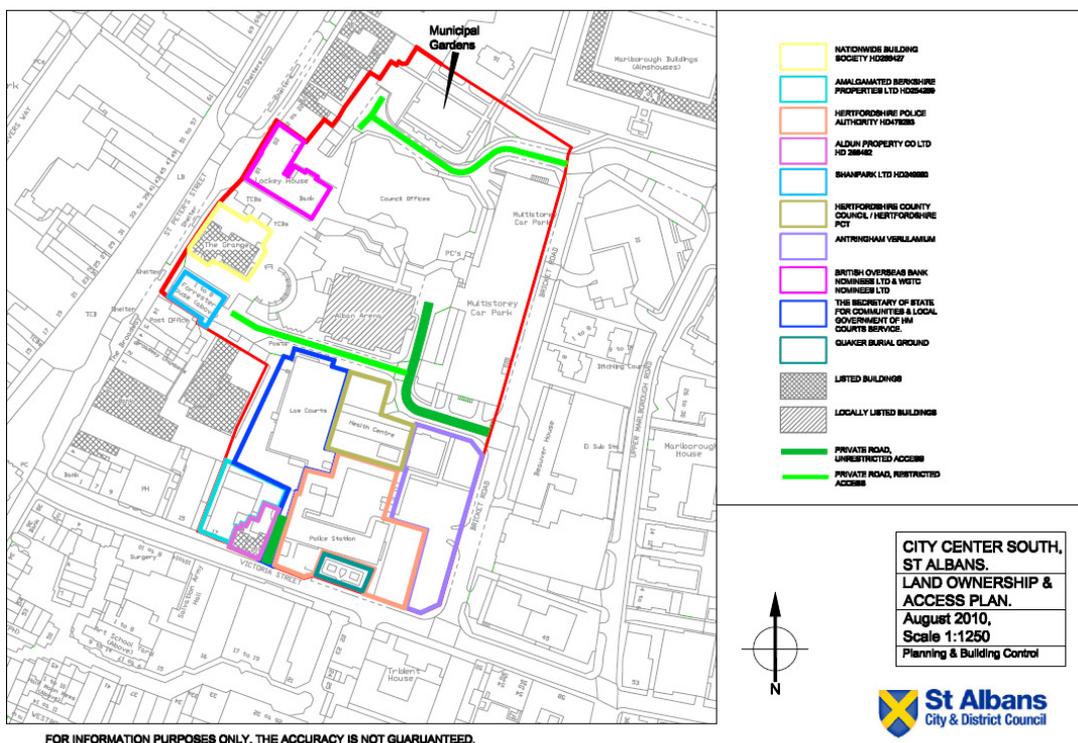
building at 17 Victoria Street;

- Aldun Property Co Ltd – which owns 19 and 21 Victoria Street;
- St Albans Quakers – Quaker Burial Ground at Victoria Street.

2.7 There are also several easements over the land within the site, including:

- Right of way that Hertfordshire Police benefit from over Antringham Verulamium's land to access their property from Bricket Road;
- Right of Way that Hertfordshire Police benefit from over part of the Law Courts land to access their property from Victoria Street;
- Right of Way that Forrester House, Waterend Barn and properties fronting The Broadway (10-14) benefit from to access their properties from Civic Close;
- Right of Way that Lockey House and properties fronting St Peter's Street (22 to 38) benefit from to access their properties from Bricket Road.

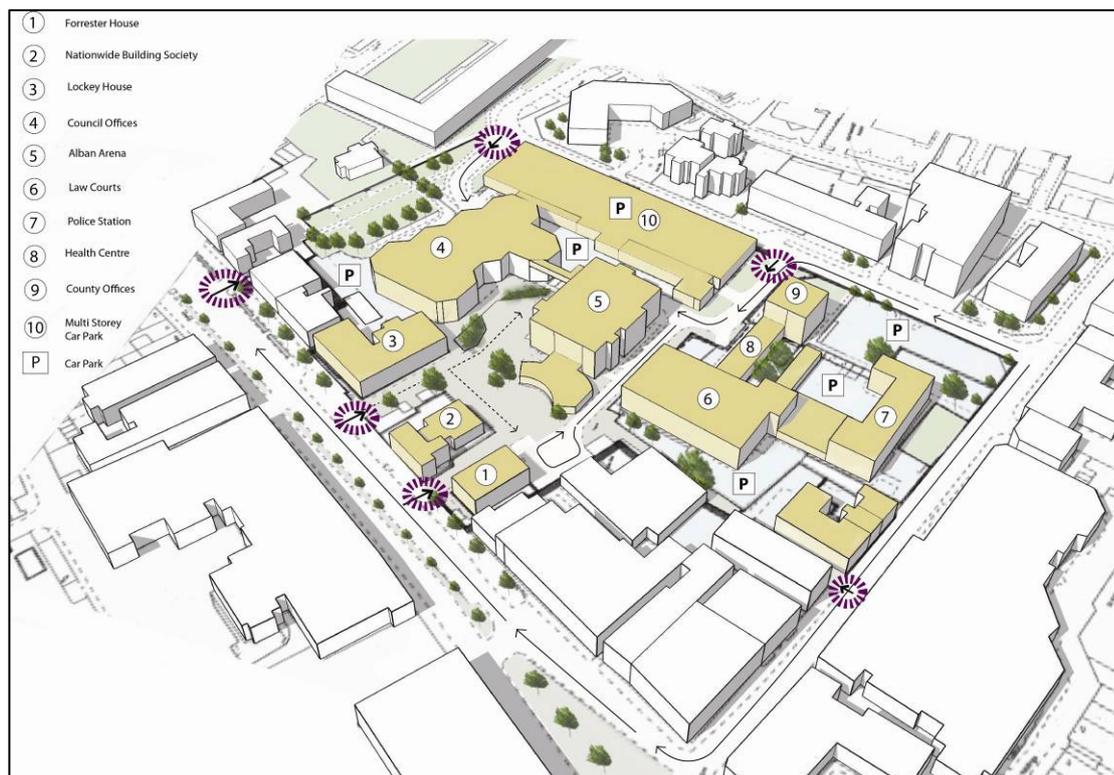
Plan 2.5: Landownership





2.8 Plan 2.6 shows the existing layout of the site with all of the key buildings within the site boundary marked. There is a collection of different uses within the current buildings including retail, civic, health, entertainment, offices, residential and car parking. Each building or key feature is considered in turn.

Plan 2.6: Layout of the Civic Centre Opportunity Area



2.9 Forrester House



A three storey 1960s building owned by Shanpark Ltd that has frontage onto



St Peter's Street. The building currently has retail at ground floor, which is occupied by Ladbrokes Betting Shop and Greggs the Baker and residential at upper floors.

2.10 The Grange



A listed (Grade II*) two storey late eighteenth-century building, which is owned and occupied by Nationwide Building Society. The building has frontage onto St Peter's Street and benefits from on-site parking to the north of the building.

2.11 Lockey House



A three storey 1960s building owned by PRUPIM and currently occupied by a number of financial services, including RBS, Northern Rock, Barclays and the Money Shop. Leases to RBS and Northern Rock are due to expire in 2019, whereas there are several leases to Barclays, one due to expire in 2026 and the other a long lease due to expire in 2382. We understand that Barclays sub-let Unit 4 to the Money Shop. PRUPIM has no immediate plans to redevelop the building due to refurbishment work undertaken recently, and



therefore it must be considered a longer term opportunity.

2.12 St Albans City & District Council Offices



Built in 1988, the Council offices are arranged over three floors plus basement and are owned by St Albans City & District Council, providing the principal administrative offices and Council chamber. The Council is currently considering various options for its civic accommodation.

2.13 Alban Arena



A 1960s auditorium building with capacity for 850 seats which is owned by St Albans City & District Council and is locally listed. The Arena hosts a number of music concerts and theatrical shows. The Arena is managed on behalf of the Council by Leisure Connection, which has a contract until 2016. Café Nes at the front of the Arena building is leased to a local operator. The building has a number of problems with it, including asbestos in the roof and a lack of back stage space for set changes. There is an aspiration to create a theatre offer of 1,100-1,200 capacity within St Albans, which will require



major refurbishment works or a redevelopment of the existing building. Other notable features of the Arena include a small pond on the northern flank, a large oak tree adjacent to the entrance, and a Roman mosaic which was relocated to the site and forms part of the floor within the foyer area.

2.14 Law Courts



A 1960s four storey building owned by Government and used as the magistrates court. We understand that the HM Court Services has spent a considerable sum on refurbishment works to the building and is not considering relocating from the site or a comprehensive redevelopment.

2.15 Police Station



A 1960s four storey building fronting Victoria Street owned by Hertfordshire Police Authority and currently used as the principal police station for St Albans.



2.16 Health Centre



A 1960s two storey building owned by Hertfordshire Primary Care Trust and used as a health centre for a variety of services, including baby and toddler services, speech therapy and elderly groups. The PCT is not actively seeking to relocate from this building in the short term, but they recognise that the accommodation is unlikely to be adequate to meet future service requirements, and therefore have not ruled out a possible move to suitable alternative premises.

2.17 Hertfordshire House



Part of the original Hertfordshire County Council campus with the adjacent buildings, Hertfordshire House is a five storey 1960s building, which is now vacant. The site, which includes a surface car park (in part) is owned by Antringham Verulamium. A planning application submitted by Antringham



Verulamium for a mixed-use scheme comprising retail (A3 use), residential, hotel and offices was recently refused by the Council in February 2011.

2.18 Bricket Road Car Park



A 1960s three level car park located at Bricket Road which is owned by St Albans City & District Council and provides 370 spaces in total, offering both pay and display public car parking for visitors (circa 120 spaces) and dedicated parking for Council officers and Members (circa 250 spaces). The car park is available during the evening providing a convenient car park for visitors to the Alban Arena. The car park also accommodates the plant for Alban Arena. It should be noted that the roof storey of the car park was added to the car park later, probably in the 1980s when the Council offices were constructed.

2.19 17 Victoria Street



A circa 1990s office building which is owned by Amalgamated Berkshire



Properties Ltd. The building is part occupied and part vacant.

2.20 19 and 21 Victoria Street



Two listed (Grade II) Victorian buildings fronting Victoria Street both of which are in office use. The buildings are owned by Aldun Property Co Ltd and the occupiers include North Hertfordshire Homes (Registered Social Landlord) and Rayden Solicitors.

2.21 Office for Racial Equality



A 1960s/70s community building in the ownership of the Council providing space for local community groups, such as the St Albans Bangladeshi Equality Association and the St Albans Italian Welfare Association.



2.22 Quaker Burial Ground



A walled burial ground fronting Victoria Street, which is owned by St Albans Quakers and maintained by St Albans City & District Council. The burial ground is set out as a garden with a seating area. We understand that the Quakers are open to its enhancement as part of the public realm improvements for the site as a whole, including a potential pedestrian route over the land.

2.23 Municipal Gardens



This is a formally laid out garden, located north of the Council offices and owned by the Council. It is a gated garden that is open to the public and is an important green space within the city centre.



3 Planning Context

Introduction

- 3.1 Under the provisions of the Planning & Compulsory Purchase Act 2004, the development plan for the St Albans area consists of the Regional Spatial Strategy (although this is due to be abolished) and the Local Development Framework.
- 3.2 As the Core Strategy document has yet to be formally adopted, the 'saved' policies within the Adopted Local Plan 1994 remain part of the development plan. For the purposes of this review, we have considered both the emerging policies within the Core Strategy and the 'saved' policies within the Local Plan.
- 3.3 Another important document is the non-statutory St Albans City Vision produced by Urban Practitioners in December 2009, which forms part of the evidence base for the Core Strategy.
- 3.4 At a National level, due to the site forming part of the St Albans Conservation Area, policies within Planning Policy Statement 5: Planning for the Historic Environment are a material consideration in determining any planning applications for the site.

Key National Planning Policy – PPS5: Planning for the Historic Environment

- 3.5 The conservation area and the listed buildings are designated heritage assets. National planning policies for all heritage assets are contained in PPS5 and the accompanying Guidance Notes. Very briefly summarised, the PPS5 policies that are most relevant to the Civic Centre site state:
 - the particular significance of any element of the historic environment that may be affected by proposals (including by development affecting the setting of a heritage asset) must be identified (Policy HE7.1)



- in considering the impact of a proposal on any heritage asset, local planning authorities should take significance into account (HE7.2)
- new development should make a positive contribution to the character and local distinctiveness of the historic environment. The consideration of design should include scale, height, massing, alignment, materials and use (HE7.5)
- there is a presumption in favour of the conservation of designated heritage assets. Significance can be harmed or lost through alteration or destruction of the heritage asset or development within its setting. Loss affecting any designated heritage asset should require clear and convincing justification (HE9.1)
- where a proposal has a harmful impact on the significance of a designated heritage asset which is less than substantial harm, local planning authorities should (i) weigh the public benefit of the proposals and (ii) recognise that the greater the harm to the significance of the heritage asset the greater the justification [that] will be needed for any loss (HE9.4)
- local planning authorities should treat favourably applications that preserve elements of the setting that make a positive contribution to or better reveal the significance of the asset (HE10.1)

3.6 Significance is a key term within the PPS policies. Paragraph 17 of the Guidance Notes states that applications will have a greater likelihood of success and better decisions will be made when applicants and local planning authorities assess and fully understand the nature, extent and importance of an asset's significance.

3.7 Potential heritage benefits that could weigh in favour of a proposed scheme are:



- It sustains or enhances the significance of a heritage asset and the contribution of its setting.
- It reduces or removes risks to a heritage asset.
- It secures the optimum viable use of a heritage asset in support of its long-term conservation.
- It makes a positive contribution to economic vitality and sustainable communities.
- It is an appropriate design for its context and makes a positive contribution to the appearance, character, quality and local distinctiveness of the historic environment.

It better reveals the significance of a heritage asset and therefore enhances our enjoyment of it and the sense of place (Guidance Notes Para. 79)

3.8 New development should make a positive contribution to the character, distinctiveness and significance of the historic environment. A successful scheme will be one that takes into account, where appropriate:

- The significance of nearby assets and the contribution of their setting.
- The general character and distinctiveness of the local buildings, spaces, public realm and the landscape.
- Landmarks and other features that are key to a sense of place.
- The diversity or uniformity in style, construction, materials, detailing, decoration and period of existing buildings and spaces.
- The topography.
- Views into and from the site and its surroundings.
- Green landscaping.
- The current and historic uses in the area and the urban grain (Guidance Notes Para. 80)

Some or all of these factors may influence the scale, height, massing, alignment, materials and proposed use in any successful design.



- 3.9 The contribution of setting to the historic significance of an asset can be sustained or enhanced if new buildings are carefully designed to respect their setting by virtue of their scale, proportion, height, massing, alignment and use of materials. This does not mean that new buildings have to copy their older neighbours in detail, but rather that they should together form a harmonious group. (Guidance Notes Para. 121)

Development Plan - Key Site Designations

Conservation Area Status

- 3.10 The site lies within the St Albans Conservation Area, which was originally designated in 1969. The Local Plan 1994 includes 'saved' Policy 85: Development in Conservation Areas. The policy states that the Council will pay special attention to the desirability of preserving or enhancing the character or appearance of conservation areas when exercising any of its planning functions. The policy also sets out that planning applications and applications for Conservation Area consent will therefore be considered in light of:
- (i) Design of Development – High standard of design that is sympathetic:
 - a) The existing building line – to respect not detract from the setting of nearby buildings
 - b) Form and density – to relate to existing buildings and landscape
 - c) Materials – good quality, normally traditional and natural;
 - d) Window to wall ratios – appropriate to the existing street scene;
 - e) Extensions – existing building to remain predominant with original roof extended
 - f) Height, roofspace and skyline – appropriate to the existing street scene;
 - g) Features and relief – building facades to complement and enhance street frontage;
 - h) Car parking and servicing – to not detract from the street scene;
 - i) Healthy Trees – Not to be felled, topped or lopped, have their root systems seriously affected or be endangered by construction work or underground



services;

(ii) Demolition – considering effects on surrounding buildings and the Conservation Area:

a) Proposals to demolish listed buildings – assessed against Policy 86 of the Local Plan;

b) Proposals to demolish unlisted buildings – assessed against Policy 87 of the Local Plan;

c) Buildings of little/no contribution – accepted and detailed plans for redevelopment required to gain Conservation Area Consent;

(iii) Surfacing Materials and Street Furniture – to be considered as part of any planning application with new materials compatible with existing.

Listed Buildings

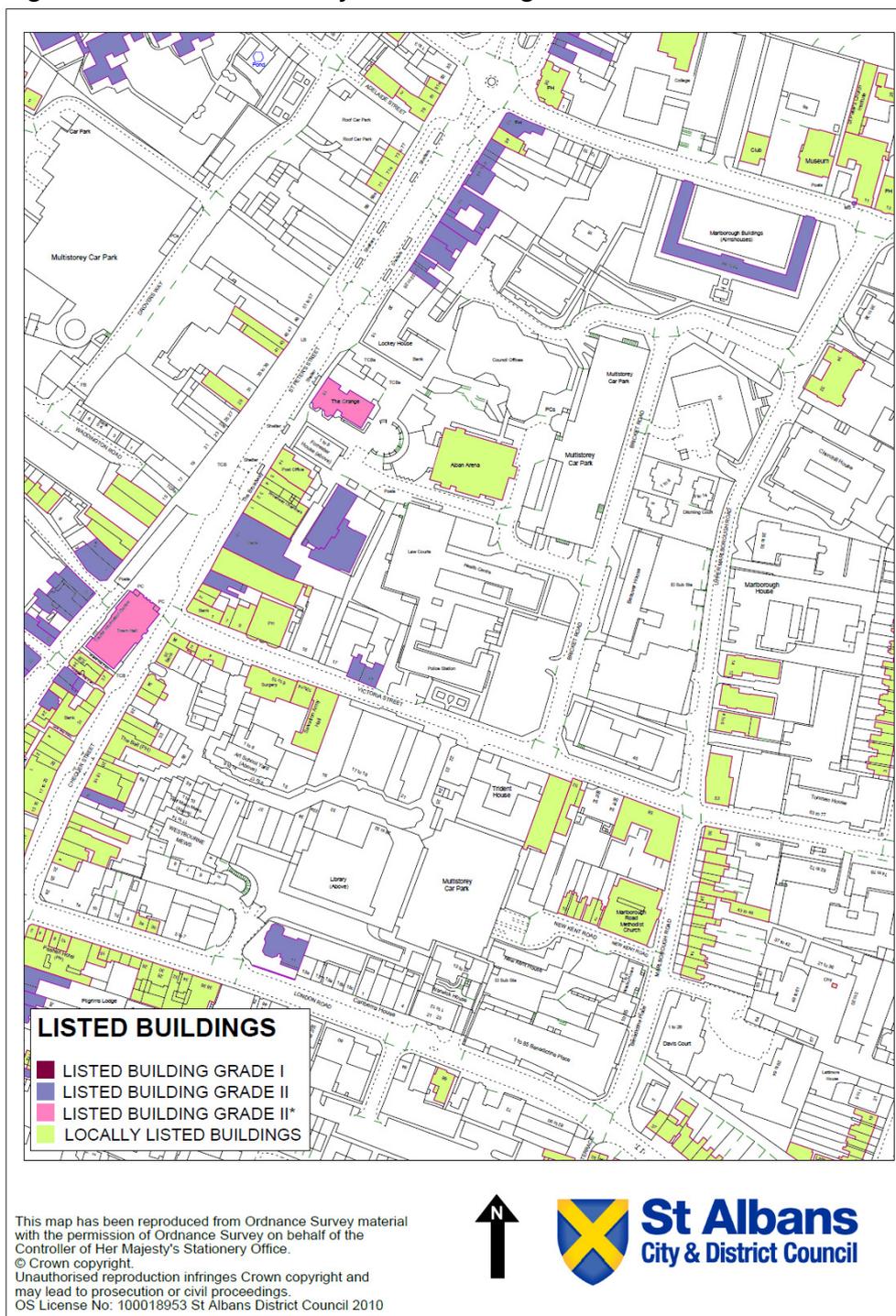
3.11 The plan below shows listed and locally listed buildings. Within our site boundary there are the following designations:

- The Grange, St Peter's Street – Grade II*
- 19 and 21 Victoria Street – Grade II
- Waterend Barn, Civic Close – Grade II
- Alban Arena, Civic Close – Locally listed

3.12 Beyond the site, the Marlborough Almshouses at Hatfield Road is Grade II listed and therefore the setting of new development in relation to this historic set of buildings is an important consideration.



Figure 3.1: Listed and Locally Listed Buildings



3.13 In terms of planning policy, 'saved' Local Plan Policies 86 and 87 sets out the criteria for determining the impact of development on listed and locally listed buildings.



- 3.14 Policy 86: Buildings of Special Architectural or Historic Interest states that listed buildings should be preserved unless exceptional circumstances exist, and planning applications that affect a listed building or its setting will be considered having special regard to the desirability of preserving the building or its setting or any features of architectural or historic interest which it possesses. In particular, extensions of new curtilage buildings which dominate or mask the form or appearance of the original, unbalance or otherwise detract from the listed building will not be permitted.
- 3.15 Policy 87: Locally Listed Buildings sets out the criteria for gaining Conservation Area Consent for the demolition of Locally Listed Buildings. The Criteria requires either (i) and (iii) or (ii) and (iii) to be met:
- (i) The Council is satisfied that the applicant has demonstrated that the viability of alternative uses for the building has been fully explored (including the possibility of sale to an alternative user) and that the buildings cannot at reasonable expense be retained;
 - (ii) Substantial planning benefits to the community will decisively outweigh the loss resulting from demolition;
 - (iii) There are acceptable and detailed plans for any redevelopment which show what is to be substituted and how it will fit into the area.
- 3.16 In terms of Locally Listed Buildings, PPS5 also has provisions, within Policy HE8 to ensure that the effect of a planning application on the significance or setting of a locally listed building is a material consideration in determining the application.

Tree Preservation Orders

- 3.17 There are five statutory Tree Preservation Orders on trees within the site boundary, although it should be noted that all trees are protected as part of the Conservation Area status, including the large oak tree adjacent to the Alban Arena.



3.18 The TPOs are in the following locations:

- Birch tree adjacent to the entrance to the PCT;
- Copper beech tree at the corner of Bricket Road and Civic Close;
- Sweetgum tree at the corner of Bricket Road and Victoria Street; and
- Two Plane trees located within the surface car park adjacent to Bricket Road.

3.19 The relevant policy relating to trees is provided in 'saved' Policy 74: Landscaping and Tree Preservation. The policy makes a presumption in favour of retaining existing landscape features unless it is incompatible with the design or economic use of the site and protects trees from topping and lopping or endangered by construction work on underground services. In terms of new developments, the policy states that buildings should not be sited where they are likely to justify future requests for tree felling or surgery for reasons of safety, excessive shading, nuisance or structural damage. The Council will also make tree preservation orders and/or attach appropriate landscaping conditions to planning permissions to safeguard existing trees and ensure that new planting is established and protected.

Shopping Frontages

3.20 Forrester House and Lockey House are identified in the Local Plan as part of 'saved' Policy 52: Shopping Development in St Albans City Centre as 'Class A' frontages, which relates to the retail use class, now extended to include A1-A5 uses. Within the frontages small scale retail development will be permitted for these retail uses.

Site Allocations

3.21 Part of the Civic Centre site has a planning allocation 2E which is part of the 'saved' Local Plan Policy 116: St Albans City Centre Policy Area 2 (Central



Shopping Core) where retail development is promoted at ground floor. The Central Shopping Core excludes the civic centre and multi-storey car park. The site specific allocation 2E relates to 0.77 hectares of land within the ownership of Ministry of Justice (Law Courts) Hertfordshire Primary Care Trust (health centre), Hertfordshire Police (police station) and Antringham Verulamium (Hertfordshire House).

3.22 Allocation 2E for Civic Centre (South) states:

“If the site becomes available, the District Council and County Council will prepare a planning brief for the redevelopment of the area. Proposals should enhance the character and appearance of this part of the conservation area. A mix of uses will be favoured and particular consideration will be given to incorporating the following elements:

(i) shopping, including a possible department store;

(ii) civic, leisure, cultural or entertainment uses;

(iii) public car parking;

(iv) an improved pedestrian route through the site from The Maltings to the Alban Arena.”

3.23 The identification of the Civic Centre site for retail use was derived from the City Vision masterplanning work undertaken by Urban Practitioners. In the City Vision document (December 2009), two options for the Civic Centre site were presented as part of the Central Masterplan. Option 1 sought to refurbish and enlarge Alban Arena with boutique cinema and create a new civic and cultural hub with the demolition of the Council Offices. This option produced 98,000 sq.ft. of additional retail floorspace, including a 40,000 sq.ft. new foodstore, together with 137,000 sq.ft. of new office and residential floorspace. Option 2 retained the Council Offices and PCT building and provided for a refurbished and enlarged Alban Arena with boutique cinema. In this option 70,000 sq.ft. of additional retail floorspace was created, including a 40,000 sq.ft. new foodstore, together with 28,000 sq.ft. of new office and residential floorspace.

3.24 Within the Core Strategy Consultation Document the Civic Centre South site along with Drovers Way is identified for food and non-food retail together with mixed-use development.



General Land Use Policies

- 3.25 The Local Plan supports the development of additional residential units within St Albans city centre with particular emphasis given to the provision of small dwellings. Although land is not allocated for housing development within the Civic Centre site, any new housing to be developed here would provide a 'windfall' to the Council. Within the updated Core Strategy Consultation Document (December 2010) an annual target of 250 new homes has been set for the period 2011-2028, equating to a total of 4,250. The Council's affordable housing policy is now 40% for all housing sites, with an emphasis placed on Council's sites to deliver an increasing number of affordable homes. Therefore urban sites in St Albans will be important in delivering both the overall housing target and the affordable homes target. However, in light of the Government's impending introduction of the 'Affordable Rent' tenure regime, these policies are likely to be revised.
- 3.26 Economic development issues are an important factor for the Council, especially as land for office development is constrained within the St Albans urban area and green belt development is to be resisted. The updated Core Strategy Consultation Document seeks to retain and enhance the existing employment areas, and therefore sites between the City Centre and the station, where there is a cluster of office schemes, including the subject site could be important sites to deliver new offices for the District.
- 3.27 As set out above, new retail development is encouraged for St Albans' City Centre and the Civic Centre site in particular in both the Local Plan and the updated Core Strategy Consultation Document. The recent 2010 Retail Study Update identified a need for 214,000-222,000 sq.ft. of comparison floorspace and 68,500-73,500 sq.ft. of convenience floorspace up to 2021 for St Albans city. The retail capacity is principally based on St Albans clawing back from other surrounding competing centres to increase its market share, together with increased demand from housing growth.
- 3.28 The updated Core Strategy Consultation Document promotes additional hotel accommodation within the city centre, with a 4-star hotel with conference facilities promoted at London Road. The concept of a cinema and cultural hub is also presented within the updated Core Strategy Consultation Document, and there is potential to focus this hub around the Alban



Arena/Council Offices.

Design Policies

3.29 One of the key design policies as set out in the Local Plan is 'saved' Policy 114: St Albans City Centre, Building Height, Roofscape and Skyline. The Civic Centre site is within the Council's Building Height Control Area, which seeks to protect the city skyline and views of important landmarks including:

- St Albans Cathedral;
- Clock Tower;
- Upper Dagnall Baptist Church;
- Town Hall
- Christchurch;
- St Peter's Church;
- St Alban and St Stephen Catholic Church;
- Trinity United Reform Church

Development within the Civic Centre site therefore needs to be compatible with the local roofscape and not break the skyline or mask the skyline features as set out above.

3.30 In terms of housing density, 'Planning Policy Statement 3: Housing' supports densities above a minimum threshold of 30 dwellings per hectare with higher densities to be encouraged in more urbanised and accessible locations.

Policy Implications for the Civic Centre Opportunity Site

3.31 Any proposal for new development within the site, including demolition will



need to obtain Conservation Area Consent as well as planning permission. The Conservation Area status provides protection for buildings, trees and other landscape features, although this is not to say that permission and consent could not be secured for the redevelopment of different parts of the site. However, the more challenging planning constraints are the tree preservation orders on five of the trees within the site and the heritage protection policies of PPS5. The latter apply to development within the Conservation Area and also to development that would affect the setting of statutorily listed buildings (The Grange, 19 and 21 Victoria Street and Waterend Barn and the Almshouses beyond) and those that are locally listed (the Alban Arena). In addition, any new development must comply with the Building Height Control Area, which is designed to ensure that the height of buildings reflect the existing street scene, thus restricting the opportunity for tall buildings on the site.

- 3.32 Considering the site as a whole, the existing planning constraints limits the development potential of the south eastern corner of the site, due principally to the cluster of TPOs to be found here.

- 3.33 The planning policies support the redevelopment of the Civic Centre site, especially the south area that contains the Law Courts/PCT/Police Station/Hertfordshire House and is subject to a Local Plan allocation. Retail is a key use promoted on the site, together with hotel, civic and cultural and entertainment uses. Residential is not specifically mentioned as part of this mix, but city centre dwellings are likely to be supported on the site as part of a mixed-use scheme.

- 3.34 In relation to public realm improvements, it is noted from the Local Plan site allocation for Civic Centre South that a pedestrian route linking The Maltings shopping centre to Alban Arena is a key priority in any redevelopment scheme, together with a city centre piazza that is promoted within the Core Strategy.



4 Property Market Review

Introduction

- 4.1 St Albans is geographically well located in south Hertfordshire on the edge of greater London, with excellent availability to the M1 and M25, and only 25 minutes to central London by train. The city's roman heritage and attractive city centre adds to the attractiveness of the settlement.
- 4.2 The city is affluent, with an over-representation of residents within the A and B social classes and an under-representation of residents within the C2, D and E social classes. The city's resident population therefore has a high proportion of professionals and managers and a low proportion of residents in unskilled jobs. Unemployment levels in the city are also historically lower than the national average.
- 4.3 The population in the District is set to increase from its current population of circa 137,200 to 143,000 by 2018 and 152,000 by 2027.

Residential Market

National Overview

- 4.4 Latest results from the Nationwide confirm that price growth has continued into 2010, with prices rising 1.2% in January, representing the fastest rate for four months. The annual rate of growth has risen to 8.6%, up from 5.9% in December – the highest rate of growth for over two years. The rapid bounce in prices is having an impact on market affordability. Despite the support offered by very low interest rates, and even setting aside the impact on mortgage repayment costs, if interest rates rise later in the year, buyers are facing additional hurdles in accessing the market. Every 1% rise in house prices adds an additional £400 to the deposit required by a typical first time buyer, with wage inflation slowing to a standstill, at least in the private sector, the ability of buyers to continue building their deposit savings is weakening.
- 4.5 Data from the Land Registry confirms our experience that the market recovery is increasingly being felt in the more affluent parts of the UK. Stronger growth is more apparent in southern England compared to other



regions. Prices in the more expensive parts of London, according to our Prime Central London Index, have risen by 15% since last March. Across the south east prices are up by 12% over a similar period – the UK as a whole saw an 8% uplift over this time.

- 4.6 There are indications that the supply and demand imbalance in the housing market is beginning to close. Data from the Royal Institution of Chartered Surveyors confirms that new buyer enquiries are rising at a much slower rate than they were in the autumn, even on a seasonally adjusted basis. On the flip side, supply of new property is at last beginning to rise and has been growing for over four months now.
- 4.7 Turning to new supply from the house building industry, the market here has improved noticeably from the very difficult period 12 months ago. Housing starts in England hit a low of 16,000 in the final quarter of 2008, by Q3 2009 the figure climbed to 26,000, but remains at historically low levels. Undersupply of property will be a growing factor in the next one to two years.
- 4.8 When we consider the market outlook, the main issues remain the macro-economic fundamentals, namely will the Bank of England be able to hold the base rate at 0.5% and what will be the impact of the Government's cuts.

St Albans Residential Market

- 4.9 According to the Land Registry, the average house price in St Albans District in Q4 2010 was £436,361. House prices in St Albans are significantly higher than the Hertfordshire average of £319,566, the South East average of £274,326 and the UK of £232,628.
- 4.10 House prices in St Albans District have risen by 13% over the annual period between Q4 2009 and Q4 2010, which compares to the national rise of 5.50%, South East rise of 7.4% and the county rise of 8.8%. House prices in St Albans as at Q4 2010 are the highest of any District area in Hertfordshire, with prices ranging for the other Districts from £183,261 in Stevenage to £381,603 in Three Rivers. During this period, St Albans also had the highest



number of sales in the county at 581, with sales for the other Districts ranging from 206 in Stevenage to 556 in East Hertfordshire.

4.11 Average house prices in St Albans are higher for each housing type compared to the county, regional and national averages, as shown in Table 4.1, with the exception of flats. The UK flat market is dominated by London and other regional centres, which accounts for this higher than expected result when compared to St Albans.

4.12 These figures indicate that the St Albans residential market is performing well in the context of the South East and the UK markets.

Table 4.1: House Prices by Type in St Albans Q4 2010

House Type	St Albans	Hertfordshire	South East	UK
Detached	£691,155	£580,896	£439,502	£352,699
Semi-Detached	£422,010	£315,921	£248,188	£198,602
Terraced	£338,988	£238,658	£204,802	£188,048
Flat	£212,152	£176,926	£164,287	£217,840
Total	£436,361	£319,566	£274,326	£232,628

Source: Land Registry

4.13 Within St Albans town itself, there are a number of new residential developments, including both houses and apartments that again provide evidence that the market is holding up well during these tough economic times.

4.14 The current schemes within the town include:

- Highfields Lane – 34 house scheme by Taylor Wimpey
- Oaklands, St Peter’s Road – 267 apartment scheme by Nicholas King Homes
- Mosaic, Charrington Place – 72 apartment scheme by Linden Homes as a first phase



4.15 **Highfields Lane** is a scheme of 34 two, three and four bedroom houses on the edge of St Albans and includes circa 35% affordable homes. 75% of the development has been sold and prices for units currently available include:

- £319,950-£349,950 for 3 bedroom semi-detached houses; and
- £575,000-£675,000 for 4 bedroom detached houses

4.16 Re-sale three bedroom town houses in and around the town centre can achieve prices in the region of £350,000-£450,000.

4.17 **Oaklands, St Peter's Road** is a residential new build and conversion scheme of the former Oaklands College which has permission for 329 homes. The first phases of the scheme have been available for purchase since May and Nicholas King Homes report good demand for units with asking prices being achieved. Prices for units currently available include:

- £199,950-£249,950 for 1 bedroom apartments; and
- £265,000-£425,000 for 2 bedroom apartments.

4.18 The prices at Oaklands equate to between £373-£439 per sq.ft. In addition, allocated car parking spaces can be purchased for an additional £10,000 per space.

4.19 **Mosaic, Charrington Place** is a scheme with 72 apartments within the first phase of development. The site is adjacent to St Albans rail station. The first phase is under construction and will provide one, two and three bedroom apartments. Prices for units at Mosaic are as follows:

- £187,500-£202,500 for 1 bedroom apartments with an allocated car park space;
- £235,000-£297,500 for 2 bedroom apartments with an allocated car park space; and
- £320,000-£385,000 for 3 bedroom duplex with an allocated car park space.

4.20 The prices at Mosaic equate to between £306-428 per sq.ft.



Retail Market

National Overview

- 4.21 The national retail market continues to be volatile with tough trading conditions for retailers. The British Retail Consortium Monthly Monitor for October 2010 report a small increase of 0.8% in like-for-like sales over the 12 month period to October. Food sales experience growth of 2.1%, which reflects higher food price inflation, whereas non-food goods experience a like-for-like decline in sales. Conversely, the sale of non-food goods through internet, mail order and phone sales show a strong growth of 12.8% compared to October 2009, although this is the second weakest monthly trading figure for non-store goods for 2010.
- 4.22 Some retailers have recently announced good trading figures, such as Marks & Spencer, John Lewis Partnership, Sports Direct, together with the leading foodstore operators.
- 4.23 In terms of retail property, development activity has slowed significantly since the start of the recession, with completed floorspace falling from 8.3m sq.ft. in 2008 to 2.5m sq.ft. during 2009, which was the lowest completion level since 1997. The forecasts for new floorspace completions during the 2010-2012 are set to decline further to a low of 1.25m square feet by 2012. The retail development market is unlikely to see significant activity until 2013/14.
- 4.24 Occupational demand is focused on London and the prime UK regional centres. There is currently strong demand for prime pitch locations from national and international retailers. The size of units that retailers are seeking in High Street and Shopping Centre locations are between 3,000-15,000 sq.ft. with Abercrombie & Fitch, H&M, Bestseller, Anthropologie, Top Shop, Peacocks, Apple, Primark, Dwell, Banana Republic, New Look, Poundland, Jaeger, Cult / Superdry, and Home Bargains seeking space. Demand is also being driven by foodstores, who are seeking opportunities in and out of town centres.
- 4.25 Demand for out-of-town locations has also increased, especially for A1 fashion parks. This is being driven by Next, New Look and the department stores, such as Marks & Spencer, Desire by Debenhams and John Lewis @



Home. House of Fraser is also due to launch an out-of-town format.

- 4.26 Secondary retail centres and areas are beginning to struggle, and the gap between prime and secondary retail areas is widening. For example, rental growth has fallen by 10% in prime locations during 2008-2010, whereas in secondary pitches, the fall has been 17%. Investment yields in prime locations have weakened from 4.00% to 4.85% between 2008 and 2010, whereas for secondary pitches the movement in yield over this period has been from 6.50% to 8.25%.
- 4.27 Although rental growth has been falling for the past two years, the level of decline has slowed during 2010, and with prime investment yields strengthening, capital values have strengthened for prime high street assets during 2010.
- 4.28 The national outlook for the retail market is still cautious, especially with the longer term impact of the VAT rise to 20%, and the impact of the cuts in public sector jobs likely to hit consumer confidence. However, there is still demand from retailers and a lack of supply coming through the development pipeline, which may lead to a rise in rental growth in prime pitches and the capital and investment values of prime high street and shopping centre assets in the next couple of years. Conversely, secondary retail pitches are set to become less vital and viable.

St Albans Retail Market

- 4.29 St Albans City Centre has approximately 670,000 square feet of retail floorspace. The prime retail area of the City Centre is focused around the Market Place/Chequers Street/St Peter's Street (southern end) with two shopping centres located to the west (Christopher Place) and to the east (The Maltings).
- 4.30 The City Centre has an very good range of retailers, including variety stores such as Marks & Spencer, BHS, Boots and WH Smith, and fashion chains including Monsoon, French Connection, Hobbs, Whistles, Phase Eight,



Reiss, Crew Clothing, Fat Face, River Island, New Look, H&M etc. The city, however, does lack the offer of a department store that would create an additional draw to the shopping experience.

- 4.31 In terms of foodstores, the city centre offer is limited. There is a Tesco Metro (St Peter's Street), Marks & Spencer (St Peter's Street) and Iceland (Victoria Street). Beyond the city centre, there is a plethora of foodstores, including a Sainsbury store of circa 75,000 sq.ft. at Griffiths Way, a Morrison's store of circa 67,000 sq.ft. at Hatfield Road and a Waitrose store of circa 36,000 sq.ft. at Mayne Avenue. Outside of St Albans city, there is also a large Sainsbury Savacentre format at London Colney, which is circa 160,000 sq.ft.
- 4.32 The homewares offer is limited to some extent by the lack of a department store within the city centre, although the centre does have Argos, Marks & Spencer, BHS, Cargo, The White Company. In order to attract a department store to St Albans town centre, a large enough development site would need to be created that provided sufficient space to create a significant amount of supporting comparison shopping to help pay for the new department store.
- 4.33 The eating and drinking offer in the city centre is significant for the size of the centre and reflects the presence of active night time entertainment facilities, such as Alban Arena. National chain representation includes Carluccios, Wagamama, Zizzi, Pizza Express, Loch Fyne, O'Neills, and Slug & Lettuce. There are also a number of independent restaurants within the city centre offering Italian, Thai, Chinese, Japanese and Moroccan.
- 4.34 Table 4.2 shows that prime Zone A rents in St Albans are £130 per sq.ft. per annum. Zone A rents have decreased since their peak of £145 per sq.ft. per annum in 2008. Prime Zone A rents in St Albans are at a 'mid level' compared to other competing centres, with Watford by far the strongest centre with Zone A rents within the Harlequin Centre reaching £285 per sq.ft. per annum. In contrast, the neighbouring centre of Hemel Hempstead has low prime Zone A rents of only £55 per sq.ft. per annum and continued vacancies in the Riverside Shopping Centre which was completed in 2005.



Table 4.2: Prime Zone A Rents (£ per sq.ft. per annum)

Town	2008	2009	2010
Watford	£310	£295	£285
Luton	£180	£135	£135
St Albans	£145	£130	£130
Welwyn Garden City	£110	£95	£90
Stevenage	£115	£80	£80
Hemel Hempstead	£80	£65	£55

Source: Colliers CRE

4.35 Prime retail investment yields in St Albans are in the region of 5.00% for the strongest covenants in the prime pitch area of the town. In more secondary pitches with weaker, local covenants the investment yields are likely to be in the region of 7.50%. Prime yields have experienced a strengthening of 75 basis points over the past 12 months in strongly performing towns.

4.36 There are a number of retailer requirements for St Albans city centre, ranging from foodstore to high street fashion. The list includes the following maximum quantum of floorspace required by each retailer taken from Estates Gazette Interactive:

Food

- Waitrose – 15,000 or 40,000 sq.ft.
- Spar – 6,000 sq.ft.
- Sainsbury Local – 5,000 sq.ft.
- Cook – 1,500 sq.ft.

Fashion

- Peacocks – 10,000 sq.ft.
- Black – 6,000 sq.ft.
- Mountain Warehouse – 5,000 sq.ft.



- Bay – 2,000 sq.ft.
- Fenn Wright Manson – 1,200 sq.ft.

Variety/Gift/Home

- B&M Bargains – 10,000 sq.ft.
- Lakeland – 6,000 sq.ft.
- Moben/Sharps/Dolphin – 2,500 sq.ft.
- Hawkin's Bazaar – 1,750 sq.ft.
- Card Factory – 1,500 sq.ft.

Health/Beauty

- As Nature Intended – 5,000 sq.ft.

Restaurants/Takeaways

- Giraffe – 4,000 sq.ft.
- Bill's Produce Store – 4,000 sq.ft.

4.37 The list of retailer requirements show good demand from different types of retail from grocery shopping through to eating and drinking. It should be noted that other retailers are likely to be interested in taking space in St Albans, although these requirements tend to become more formal once a scheme has planning permission and is being developed out.

Hotel Market

National Overview

4.38 On new build and mixed use sites, retail, office or residential uses will generally, but not always, offer better value to the developer compared to a hotel use. However, an employment generating hotel use can help to support or provide an amenity service to office and residential occupiers. In addition, hotels can often “set the tone” for the quality of the overall development, acting as a marketing tool to sell residential units in particular, and also can be seen as potentially desirable.



- 4.39 In a viable location a hotel operator can offer a pre-let agreement to the developer with an institutional lease in place, with fixed uplifts and excellent covenant strength, or a management contract. A ready investment market exists for both leases and management contracts, often on the basis of a forward commitment, enabling the developer to guarantee an exit if required.
- 4.40 So, although rents payable may not be competitive with alternative uses, in the current market a pre-let or a management contract to a hotel operator on part or all of a scheme will be attractive to a developer, particularly when an investor can be lined up to purchase the hotel on completion of construction or even before.
- 4.41 In recent years, shareholders and the hotel groups themselves have identified that they should concentrate on being hoteliers and not holders of large amounts of property which has led to a large scale split of “bricks and brains” by many operators. By divesting themselves of the holding costs of bricks and mortar by way of sale and lease or manage back arrangements and taking on new leases or management contracts, it has allowed them to develop more bedrooms and push out brands by releasing equity in the property itself.
- 4.42 Management contracts are now more acceptable to investors and many of the recent transactions have been on the basis of a sale and manage back. Lease income and the yields applicable have historically been preferred by investors, but with yield compression on management contracts and a better understanding of how they work, they are now an established and sought after investment vehicle.
- 4.43 Some hotel groups, such as Hilton, Intercontinental, Accor, and most recently Marriott have identified the benefit of sale and lease or manage backs with several large scale transactions to hungry investors eager for prime property with strong covenant operators.
- 4.44 Very few of the mainstream full service operators will now take leases. The long term rental obligation on the balance sheet is considered as unattractive by most hotel groups. Management contracts are now becoming more



acceptable.

- 4.45 Most budget and limited service operators will take leases, as their largely room only driven income is less volatile than full service hotel income and easier to predict.

St Albans Hotel Market

- 4.46 Currently, St Albans has three principal hotels, which are:

- Quality Hotel, London Road – 81 rooms, 3 star;
- Comfort Hotel, Holywell Hill – 60 rooms, 2 star; and
- The Noke Thistle Hotel, Watford Road – 111 rooms, 4 star.

- 4.47 These three hotels are outside of the city centre and the stock in the city centre is limited. Demand for additional hotel bedspaces is likely to be driven by the budget operators, as they are willing to take occupational leases on new built scheme rather than a management contract.

- 4.48 We believe that there would be demand from operators such as Travelodge and Premier Inn to take space within the City Centre. Car parking on site is preferable, although budget operators will consider new hotels in city centres, where there is plenty of existing car parking available for staying visitors.

Office Market

National Overview

- 4.49 While retail and industrial rental values continue to be eroded, office rental growth has been in positive territory since March 2010. According to IPD, average rental growth for all offices improved to 1.0% over the 12 months to January. However, the Central London markets of the City and West End & Midtown have been key to the sector's upward momentum, with rental growth remaining negative as a whole outside London. With occupiers still looking to



consolidate their accommodation and cut costs, particularly in the public sector, a clear resumption of positive rental growth remains some way off outside Central London.

- 4.50 In London and the South East, investment turnover surged during Q4 2010. In Central London, Q4 turnover of £3.3bn was the highest quarterly total in three years. Foreign investors, buoyed by Sterling's depreciation, have been most active here, accounting for almost three quarters of 2010 purchases. In the South East, Q4 turnover of £369m was the highest since Q4 2007 and driven by a number of large lot sizes in excess of £30m. Investment activity is relatively subdued in the UK's key regional markets, reflecting a shortage of prime buying opportunities and an aversion to secondary product in light of continuing risks in the regional occupier markets.
- 4.51 Across all UK markets, buying opportunities for prime stock remain in short supply. While demand for secondary assets is much weaker, the lack of prime stock is leading to growing investor interest in very good quality secondary assets, particularly in Central London, where there is high confidence in the outlook for the occupier market. Interest is growing in value-add opportunities in the capital's core locations.

St Albans Office Market

- 4.52 St Albans has an estimated office stock of 2.4 million square feet. Only around 8% of this stock is considered to be modern and built within the last 5/6 years. The take-up of new stock within the town has been circa 45,000 per annum over the last ten years. Key office occupiers include Deloitte, AECOM, PricewaterhouseCoopers, Premier Foods, Hewitt and BSKyB.
- 4.53 Over the past 5 years, all of the new office space that has come to the market has been on a speculative basis. The key recent office developments within the city include the former Platinum Centre, 4 Victoria Square, which was redeveloped to provide 51,000 sq.ft. by Threadneedle, and was completed in 2008, and Phoenix House, Campfield Road, a 16,000 sq.ft. refurbishment scheme completed in 2007. In addition, 7,500 sq.ft. of office space is under construction at the United Glass site, Cedar Court, an out-of-town site being developed for a mix of uses by Artisan UK Developments.



- 4.54 Recent transactions for Grade A office space in St Albans in 2010 include the following:
- Building C, Abbey View – 14,737 sq.ft., £19.15 per sq.ft. per annum on 15 year lease
 - City Gateway, 4 Victoria Square – 14,353 sq.ft., £21.50 per sq.ft. per annum on 10 year lease
 - Verulam Point, Station Way – 15,275 sq.ft., £21.50 per sq.ft. per annum on a 10 year lease
- 4.55 Current prime office rents at £21.50 per sq.ft. are lower than the top rents for St Albans of £25 per sq.ft. that were achieved during 2007 and 2008.
- 4.56 The rents in St Albans compare favourably with other nearby competing centres, such as Watford - £21.00 per sq.ft., Hemel Hempstead - £19.00 per sq.ft., Welwyn Garden City - £18.00 per sq.ft., Luton £18.50 per sq.ft., Stevenage £14-15 per sq.ft.
- 4.57 In terms of availability, there is approximately 85,000 sq.ft. of office space on the market in St Albans, which is split roughly 50% in the city centre and 50% in out-of-city locations. The prime rents for Grade A space currently being marketed in St Albans are £22.50 per sq.ft.
- 4.58 Office investment yields in St Albans for a good covenant on a 10 year lease with no breaks is likely to be 6.75%-7.00%.

Property Market Opportunities for Civic Centre Opportunity Site

- 4.59 The property market review has identified a number of development opportunities that could be promoted within St Albans City Centre. But what uses are appropriate for the Civic Centre site?
- 4.60 The site's position in the area between St Peter's Street, Victoria Street and Bricket Road is not a prime retail area, but a secondary/tertiary area, which at



present lacks both the quality of environment or attractiveness of offer to generate significant pedestrian footfall.

- 4.61 We do not consider that the site is capable of supporting sufficient developable area to support the development of significant retail space, including a department store. From an economic perspective, a department store is generally reliant on at least a comparable level of unit shopping to be provided to arrive at a viable scheme due to the extremely preferential terms that have to be offered to secure an operator. Given the constraints arising from the Law Courts, Alban Arena, easements etc this would not be possible on the subject site. In the absence of a department store we do not consider that the retail 'pitch' would be able to penetrate far into the site to the extent that a range of comparison shopping could be provided.
- 4.62 However, the site has the capability of providing other forms of retail, such as a small foodstore of circa 10,000 sq.ft. net sales area, which would benefit from high visibility and frontage. Due to the site constraints, a large foodstore of say 40,000 sq.ft. net sales area is unlikely to be achievable, especially with the amount of on-site car parking required for such a store. We are aware that Waitrose has an outstanding requirement for a 'basket' foodstore in St Albans, and this is the type of operator who would add value to the city centre retail offer.
- 4.63 In addition, the presence of the Arena on the site, combined with the provision of really high quality public realm provides an opportunity to cluster eating and drinking establishments in this part of the city centre to enhance the evening economy. We are aware of several requirements from restaurants seeking space in St Albans, and there would be other chains interested in representation, such as Jamie's Italian, Byron Burger, Linguinis and Yo Sushi. The size of individual units would be 3,000-6,000 sq.ft. gross internal area.
- 4.64 At upper floors residential will be a key value driver for any potential scheme. The residential market in St Albans continues to be relatively strong in the current economic climate with several schemes being developed within the town, including apartments. The site could deliver additional one and two bedroom apartments that are likely to be popular given its city centre location



and proximity to St Albans rail station.

- 4.65 Whilst the Civic Centre site does not sit within what might be considered the city's core office area, it is certainly a location which is capable of commanding interest from occupiers and developers and we would not expect to see a noticeable discount from prime rents. Rental values are sufficient to support the development of grade A offices. However, much of the market remains reluctant, in the current economic climate with bank funding issues, to deliver speculative office development and so the extent of office space which would be delivered as part of an initial phase of development on the site will be significantly influenced by the Council's decisions around its future accommodation plans. Accordingly in our opinion any masterplan reliant on delivery of more than 50-60,000 sq ft of offices to let to the commercial market does come with some significant delivery issues.
- 4.66 There is also demand for budget hotels in St Albans, and the Civic Centre site would be an attractive location for a new hotel, especially as it could rely upon the existing car parking facilities in the immediate vicinity of the site, where there are issues of providing on-site parking. The viability of hotel development is more volatile in the current market, especially for 3-5 star hotels that tend to contract on a management basis rather than take an traditional occupational lease. The benefit of budget hotels like Travelodge and Premier Inn is that they are prepared to take a pre-let on new hotel buildings which can help to secure bank funding for the wider scheme. A budget hotel of 80 rooms would seem appropriate for this location.
- 4.67 Overall, our analysis of the local markets is encouraging from the perspective of delivery of new development. There are a number of property sectors where we would expect to see good demand at values which are capable of supporting development which provides us with some flexibility in respect of the disposition of uses around the site. However, this must be seen in the context of a site which has a number of constraints and whilst development may be self-financing per se, the level of surplus which would be required to provide the Council with new offices at no cost is of course significant.



5 Urban Design Analysis

Key Design issues

- 5.1 Our urban design analysis of the site is based on the site constraints and opportunities and how these can be best addressed.
- 5.2 The site is characterised by a collection of buildings, the majority of which have limited architectural quality coupled with a poor quality public realm that lacks permeability and legibility throughout. Bricket Road in particular has a number of ageing buildings and poor quality character with Hertfordshire House and the multi-storey car park within the site boundary and Job Centre building opposite.
- 5.3 Sightlines into the site from the key gateway points along St Peter's Street are weak and provide limited visibility for uses that are located behind the retail frontage, such as the Alban Arena and the Council Offices. There is also a lack of consistency in the public realm, which needs to be addressed.
- 5.4 The change in topography from the top of the site at the northern end to the south eastern corner is significant and creates problems in terms of the existing layout of the public realm, especially between the Council Offices and the Alban Arena, which has a number of different levels. This has the effect of reducing its extent and function as a useable active public space. The topography of the site also provides an opportunity to create a more enhanced public realm, including a more successful outdoor performance space.
- 5.5 Whilst, the site has a number of prominent trees which add value to the townscape, the setting of some trees with walled planters creates additional clutter to the public realm and reduces the flow of the space.
- 5.6 The pedestrian routes around the site do not work at the moment, with Civic Close providing a narrow and unattractive pathway between the southern side of the Arena and the entrance to the Law Courts. The alternative route between the Council Offices and the northern side of the Arena is equally

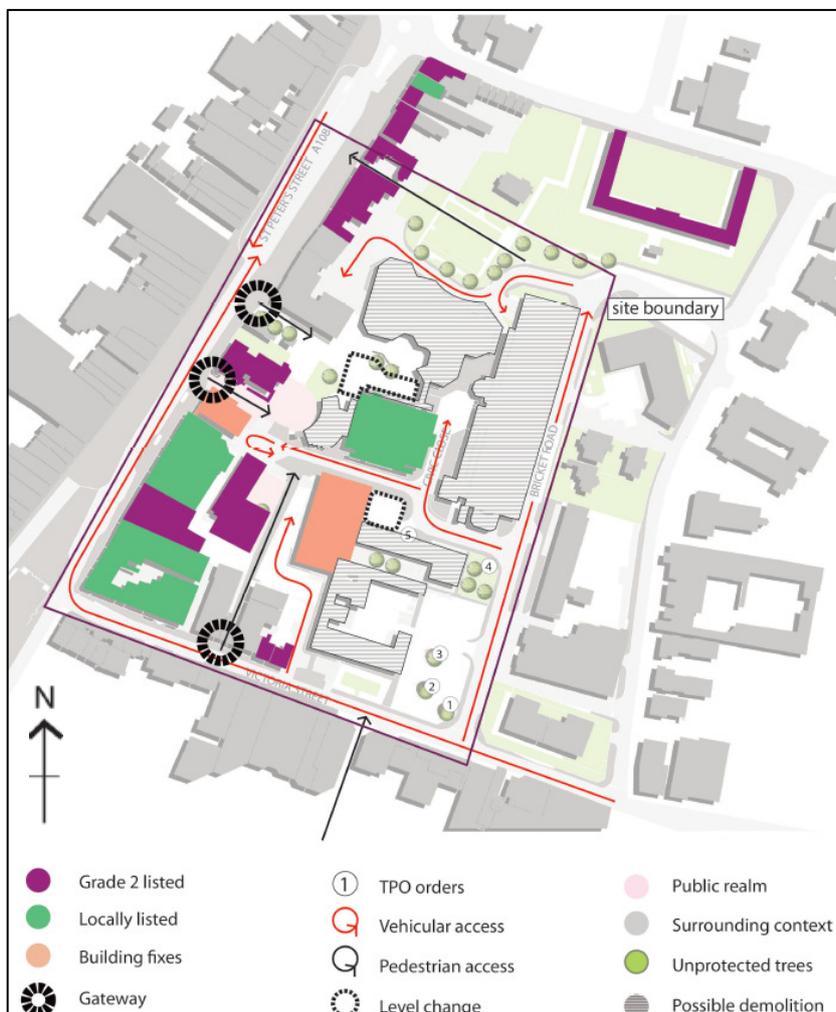


uninviting and only brings pedestrians to the rear servicing area and car park. The route through to Victoria Street is also uninspiring and offers little by way of passing interest, as is the route to the Municipal Gardens via the rear of Lockey House. It is important that these pedestrian routes are improved as part of any redevelopment scheme.

- 5.7 Re-provision of car parking within the site is an important issue, within the context of parking within the city centre as a whole. The existing multi-storey car park at Bricket Road has circa 370 spaces, of which 120 spaces are for public use. In addition, the Antringham site offers a temporary public car park offering circa 47 spaces. Therefore within any redevelopment of the site, some retention of public car parking would be beneficial, especially to serve The Alban Arena.
- 5.8 Plan 5.1 below highlights some of the other site constraints that need to be addressed as part of the design of a new scheme. In particular, there are likely to be a number of 'fixed' points to design new buildings and landscape works around, such as:
- The Magistrates' Court – recently refurbished with no intention to relocate;
 - The Grange and 19 and 21 Victoria Street – listed buildings of character;
 - The Alban Arena – locally listed building
 - Quaker Burial Ground – sensitive site not in public ownership;
 - Prominent trees, including TPOs – which are protected within the Conservation Area; and
 - Municipal Gardens – attractive city centre gardens, although under-utilised.



Plan 5.1: Constraints in and Around the Site



5.9 The existing easements across the site also provide a constraint, especially Civic Close, although these have the potential to be re-routed within new development schemes by negotiation.

Key Design Opportunities

5.10 In terms of site opportunities, as shown in Plan 5.2 there are a number of buildings with the potential to be redeveloped. These include the Council Offices, multi-storey car park, health centre, Hertfordshire House, and Police Station. The Alban Arena is considered a longer term development



opportunity, as the costs of redeveloping auditorium are likely to be prohibitive. Refurbishment of the existing building is likely to be more achievable and less costly, especially as the building is locally listed.

Plan 5.2: Opportunities for the Site



5.11 The Council Offices appear to have an inefficient layout that can be addressed through a redevelopment to reduce the bulk and massing of the building and create a more modern and sustainable building.

5.12 The multi-storey car park frontage Bricket Road is of poor quality and will need to be replaced in the foreseeable future due to maintenance issues.



The redevelopment of this site provides an opportunity to improve the character and frontage of Bricket Road in terms of architectural quality and land use, with potential to create more activity and surveillance of the road, possibly through introducing residential.

- 5.13 The surface car park in the south eastern corner of the site is a key gateway opportunity site on the approach from the Station that lacks a prominent building at present. Any landmark building or group of buildings would need to be carefully considered in terms of its height, massing and bulk and its relationship to the trees within the vicinity. Where a more comprehensive scheme is proposed for the site that brings together several landowners to provide a more holistic design solution in terms of the access and servicing arrangements, and a stronger pedestrian link from The Maltings, there may be a rationale to remove and replace some of the existing trees in this area.
- 5.14 The Maltings route is key to improving the pedestrian movement and increasing footfall through the site to connect Victoria Street to St Peter's Street and Municipal Gardens. To help deliver this important new link, the public realm needs to be enhanced significantly throughout the scheme, especially in the area around the rear of the Arena and Civic Close, and the area between St Peter's Street, the Council Offices and the Arena.
- 5.15 The green spaces within the site, the Quaker Burial Ground and Municipal Gardens, require greater permeability and connection. The redevelopment of the Police Station site offers an opportunity to integrate the burial ground into a new piece of public realm that enhances its townscape value and function as an open space with footpaths and seating areas. Municipal Gardens is inward facing and currently lacks attractive connections into the site. There is an opportunity to address this through a new scheme layout that creates greater visibility of the gardens and a more direct pedestrian route from both St Peter's Street and Victoria Street. There is potential to create "green" links between these important areas of open space, including the introduction of trees.
- 5.16 Building heights in the area also need to be given careful consideration, together with massing, and length of blocks and building lines to alleviate perceptions of 'over-development'. The existing buildings in the vicinity of Victoria Street are four/five storeys in height, including the Police Station and



Hertfordshire House. There is an opportunity to build five storeys of development at Victoria Street as the gradient of the road slopes downwards from west to east. At Bricket Road the heights tend to be three/four storeys. Again, Hertfordshire House is the tallest building in this area at five storeys. The height of buildings along Bricket Road need to take into consideration the nearby listed buildings such as the Marlborough Almshouses, as well as landmarks such as the Town Hall and Cathedral. It may be feasible to go higher along the Bricket Road as there is a significant change in levels between the car park and the Council Offices. Therefore consideration could be given to 6/7 storeys in this location.



6 Development Options

Introduction

- 6.1 In producing a masterplan for major development areas, particularly for the preparation of planning policy, it is quite common to adopt an ownership-blind approach, concentrating on producing what might be considered an optimum solution for the area. From a delivery perspective this is often underpinned by the Council's ability to use compulsory purchase powers to assemble land interests. However, that will not always be practical and in the current financial climate the level of cost and risk associated with this approach can be prohibitive.
- 6.2 Our brief for this exercise was clearly couched in terms of taking a reasonably pragmatic approach to dealing with the various ownership parcels within the overall site. That is not to say that quality of the overall masterplan should be compromised nor that the Council's aspirations for it should be watered down. It was more that the options examined for the masterplan should be done so through the prism of a clear delivery strategy and where possible landowners should be given a sensible level of control over their own sites provided that they are brought forward within the framework of an overall design concept.
- 6.3 The work we have undertaken has been guided by this. It has also taken a pragmatic approach to areas of the site where it is apparent that development cannot come forward for a considerable period of time. The Magistrates Court is a good example of this in that funds have been spent on upgrading the facility recently and we see little prospect of this site being available for development for some time. Similarly, Forrester and Lockey House both offer the potential for enhanced active frontage drawing pedestrian movements into the site from St Peter's Street. However, both of these buildings are well let and are capable of improving the condition of their return frontage into the site over time without the need for full-scale development. It is difficult in viability terms, but also in planning terms to justify their redevelopment in the short to medium term, and the successful delivery of new development on the Civic Centre site will provide an incentive for the buildings' owners to enhance their interests to attract improved tenants and rents.



- 6.4 Also to some degree falling into this category is the Alban Arena. As will be outlined in following sections, it is clear that development on Council land struggles to support the provision of new offices for the Council at no cost. There is certainly no prospect of the development also bearing the cost of a new Arena which is likely to cost up to £20m. Given the advice we have received that the Council does not have funds available to meet this cost, we have provided options which assume that the existing Arena building is effectively fixed (albeit looking at some changes to the front of house). The positioning of the Arena within the site is in such a fundamental location that it is of little benefit to the Council to be tabling options which are reliant on an outcome which is extremely unlikely to be affordable. (We do however examine how the masterplan might offer the flexibility to allow extension/redevelopment in the longer term if financial circumstances allow).
- 6.5 The options presented in this chapter should not be considered as mutually exclusive - in particular there is a clear separation between the north and south sections of the site which allow variations on the overall theme provided that they are linked together through the overarching principles of the masterplan. However, issues around rights of way, servicing etc do provide some constraints to the level of flexibility offered and these are described in detail.
- 6.6 It has been clear to us through this process that there are parties attached to land ownership parcels at the southern end of the site that are anxious to proceed with development.

We have sought to arrive at a masterplan which would enable these sites to come forward as far as is possible in isolation. However, that is not to say that the overall scheme, or indeed their own components of it, cannot be enhanced through the addition of third party land interests.

Key Design Principles

- 6.7 As we have stated above, whilst there are a number of separate options presented to the Council in this report, they are bound together by a number



of key principles which also provide a framework to allow piecemeal development to come forward in an orderly fashion.

- 6.8 A strong **north-south pedestrian route** which runs from Victoria Street, along the rear frontage of the Arena into the existing or a new civic square. Existing rights of way/easements and new servicing arrangements may have some influence on the pedestrian amenity of this route depending on the option pursued, but all options seek as far as is possible to provide an attractive route which will make use of anchor tenants and active frontage to draw pedestrian movements through the site.
- 6.9 The positioning of a **foodstore anchor** on the police site providing frontage onto the burial ground and onto the north-south spine. As well as a value driver, this is designed to draw movements from the rear entrance of The Maltings onto the site.
- 6.10 Retention of **Civic Close** - this is required to enable continued access and servicing to the Magistrates Court and other uses to the west of the site. Whilst we would anticipate the condition of this being significantly enhanced and made more pedestrian friendly, this would be a vehicular route with pedestrians being encouraged to use the north-south spine.
- 6.11 High quality **public space/civic square** to the north of the Arena and south of the retained/new Council offices. The condition of this will depend on the option pursued - retention of existing Council offices does offer some constraints in this respect but the public space and surrounding A3 uses will form an important part of the cultural offer in this location.

Option 1 – “De Minimis” Solution

- 6.12 Option 1 is designed to enable landowners seeking to develop out their sites in the next 3 years to do so on an independent basis. Our review of landowners within the southern part of the site has revealed that the Magistrates’ Court is likely to remain in-situ for the foreseeable future, whereas the Police Station site and Hertfordshire House site are likely to



come forward in the short term. At the current time the PCT is reviewing its accommodation on site, but for this option we have assumed that they will stay in-situ. In addition, in Option 1 the Council Offices, The Alban Arena and multi-storey car park are retained with the emphasis focused on public realm improvements in this area.

6.13 Option 1 as set out in the diagrams below is designed to take account of the existing planning and legal constraints on the site, namely the four tree preservation orders and the easement over the Antringham land that benefits the Police Station site. The option also seeks to deliver the pedestrian route from The Maltings to the Alban Arena so that future development on the northern part of the site can benefit from it. It involves the least amount of redevelopment and is concentrated in the less historically-sensitive part of the site, and is therefore the least contentious option in heritage terms.

Figure 6.1: Option 1 – Land Uses

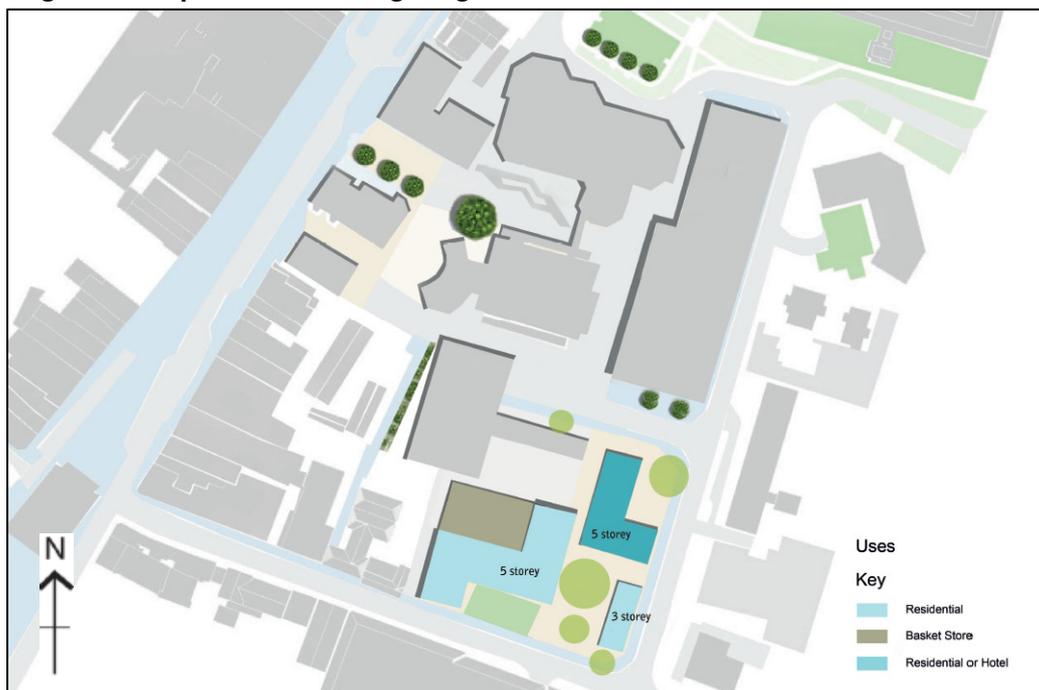


6.14 The height of the buildings for option 1 match the existing height of buildings currently within the southern part of the site, with the Police Station site accommodating a 5-storey building, the site of Hertfordshire House on



Antringham's land replaced with a 5-storey building and the town houses at the corner of Victoria Street and Bricket Road at 3 storeys.

Figure 6.2: Option 1 – Building Heights



6.15 In terms of servicing, a number of iterations for this option were examined prior to arriving at that shown on the diagram below. In particular, we were keen to avoid traffic access to the police site down the route of the existing right of way from Bricket Road, which cuts across the north-south pedestrian route. However, the technical work which we have undertaken leads to the conclusion that there is little prospect of being permitted to service the foodstore from Victoria Street. Hertfordshire County Highways have indicated that service vehicles would probably be permitted to access the site from Victoria Street, but reversing back out onto it would not be acceptable and it is unlikely to be practical to provide a turning circle for large HGVs servicing the foodstore within the site at this end. Our later options which involve bringing in further ownerships to allow us to re-route the service/access traffic but for the purposes of an option which allows Townstone and Antringham to proceed in isolation we consider that this is unavoidable.



Figure 6.3: Option 1 – Servicing



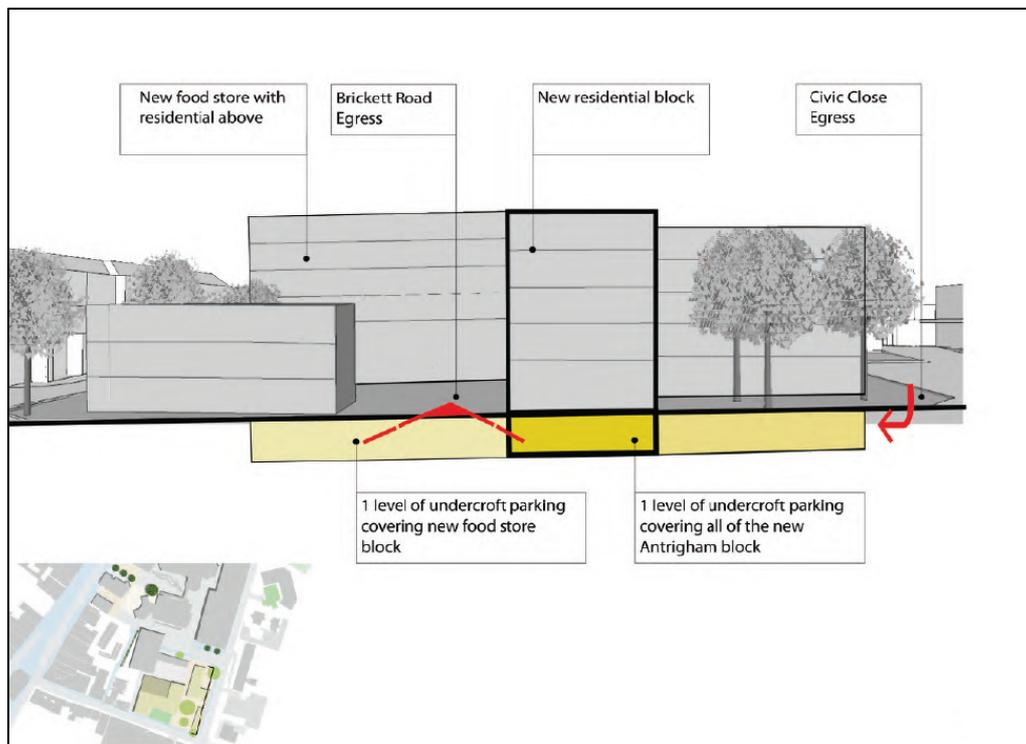
6.16 The Option shows that the Antringham Verulamium land holding is limited by the existing constraints on its site i.e. the easement and TPOs. The presence of the trees and the easement have the effect of dividing the site into two with five new town houses (with possibly integral garages) promoted on the southern part of the site between the TPOs and Bricket Road, and the northern L-shaped block of development designed for a stand alone building for residential, hotel or office use with A3 restaurant/café at part ground floor. The servicing entrance for this block would be located on Civic Close. Parking would be provided within a basement or undercroft level with access being from Civic Close.

6.17 The Police Station site is redeveloped to provide a basket foodstore with residential at upper floors. Frontage is provided onto Victoria Street, which can be used as a small café and could also provide an entrance for the residential apartments. The servicing area for the foodstore would be at ground floor level with servicing vehicles parking in a loading bay on Bricket Road. Goods would be trolleyed from Bricket Road along the existing easement. The car parking for the residential units would be provided by way of a basement level, which would be accessed from Bricket Road along



the existing easement. The ramp to the basement would be provided within the block itself.

Figure 6.4: Car Parking and Egress



6.18 Option 1 produces a scheme with two principal areas of public open space – around the Alban Arena, and the space around the Memorial Gardens/pedestrian walkway/TPOs on the southern part of the site. The pedestrian walkway from Civic Close to Victoria Street along the edge of the Magistrates Court would be improved visually with additional planting or screening (say in the form of wood panelling) to help to hide the unattractive Magistrates Court’s car parking area, which is below the level of the walkway. This should help to create a stronger link to Victoria Street.



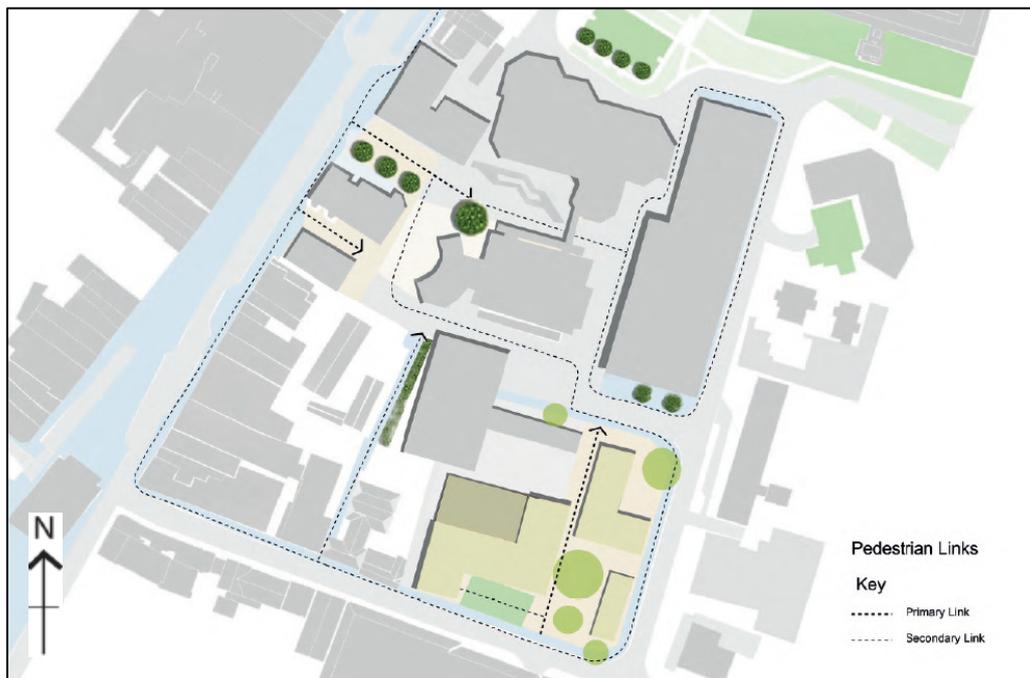
Figure 6.5: Option 1 – Key Areas of Open Space



6.19 Figure 6.6 shows the key pedestrian routes envisaged for Option 1. The pedestrian route from The Maltings may need to be bridged over the servicing access to the foodstore, otherwise Hertfordshire Police Authority would need to purchase land from Antringham in order to create the necessary cut in the land to provide the gradient down into the basement level. However, if this is possible it is likely to be expensive and could also present Disability Discrimination Act (DDA) issues. A more practical approach is probably to look at time limited servicing and appropriate treatment of the route to minimise pedestrian/vehicular conflict.



Figure 6.6: Option 1 – Pedestrian Links



6.20 Table 6.1 shows the quantum of floorspace that could be developed on the site within the two five-storey buildings.

Table 6.1: Option 1 – Land Use Quantum

Land Use	Hertfordshire Police Station Site	Antringham Verulamium Site
A1 Foodstore	17,300 sq.ft. GIA (12,000 sq.ft. NSA)	-
A3 Café/Restaurant	2,500 sq.ft. GIA	2,800 sq.ft. GIA
C3 Residential	47,300 sq.ft. NSA (63 units @ average of 750 sq.ft. per unit)	21,200 sq.ft. NSA (28 units @ average of 750 sq.ft. per unit) Plus 5 town houses of 1,250 sq.ft. per unit and 6,250 sq.ft. in total

GIA – Gross Internal Area

NSA – Net Sales Area



Option 2 – Part Refurbishment/Part Redevelopment Solution

- 6.21 Option 2 is designed to enable the southern site to be delivered comprehensively with the health centre site brought into the developable area and certain trees replaced. In addition, the Council Offices are refurbished to create space to accommodate the relocated health centre, and the car park is redeveloped to provide enabling residential apartments with some public car parking retained. The Alban Arena, Lockey House and Forrester House are not included in the redevelopment, as the costs to redevelop and re-provide the same activity within these buildings is deemed to be prohibitive.
- 6.22 Option 2 as set out in the diagrams below is designed to create a stronger pedestrian route from The Maltings up round the rear of the Alban Arena and into an enhanced public square for the city centre, and provide a new urban edge at the corner of Victoria Street and Bricket Road, to help frame this route and entice footfall. The unattractive car park is also removed and replaced by a new development that creates an attractive edge to Bricket Road and also helps to frame the walkway through to the enhanced public square.

Figure 6.7: Option 2 – Land Uses

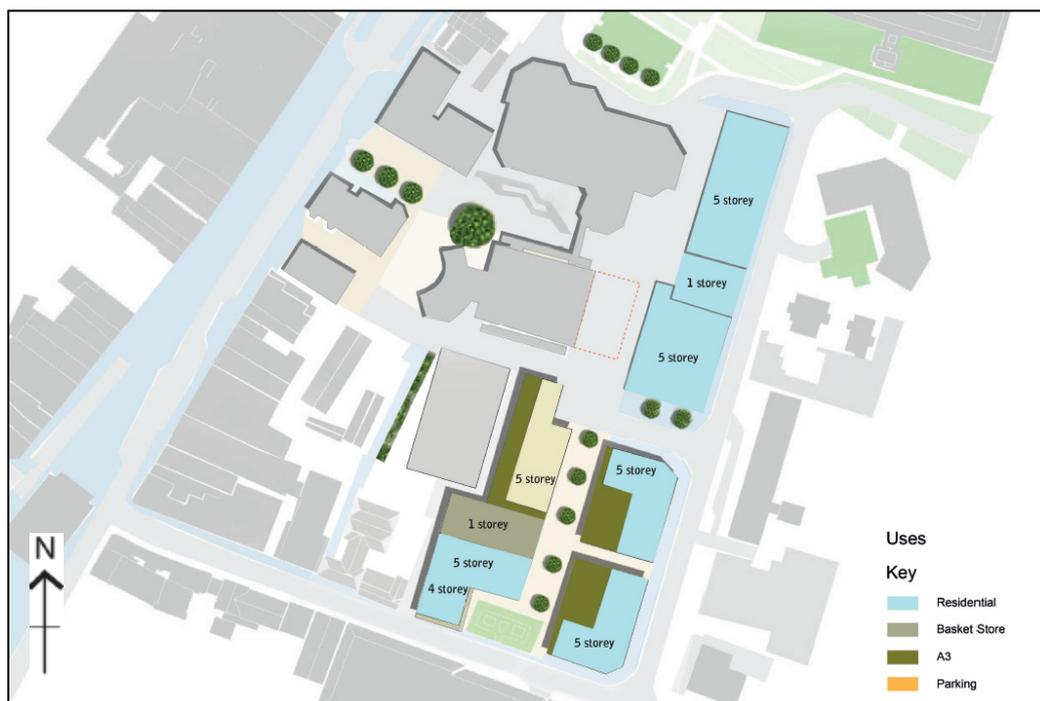




6.23 This option has a greater impact on the character and appearance of the conservation area, and on views into and out of the conservation area. Other heritage issues that would have to be addressed are the effect on the setting of the Grade II listed Marlborough Almshouses to the north of the site, and on the setting of the locally listed Alban Arena. For this reason, we have limited the height of development to a maximum of 5-storeys throughout.

6.24 In terms of delivery, clearly the extended police block depends on the relocation of the PCT. Also the ability to service the foodstore without cutting across the pedestrian route requires redevelopment on the PCT site. Theoretically these can be delivered in isolation, although a joined-up approach would be preferably to the option's delivery. We develop this further in the section on Delivery Strategy.

Figure 6.8: Option 2 - Building Heights





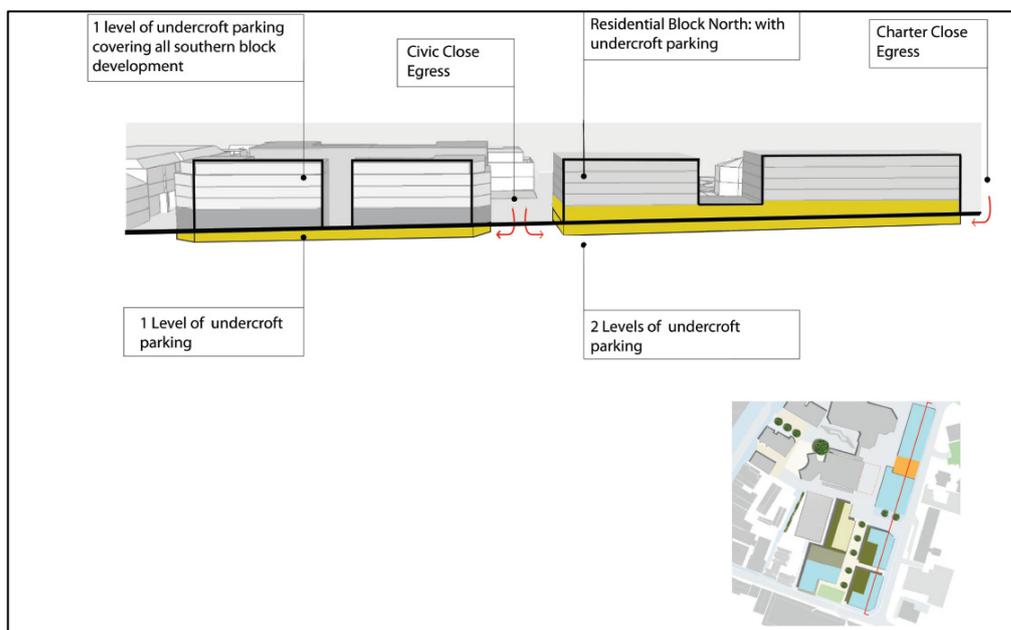
- 6.25 In terms of land use, on the southern site a basket foodstore is provided with frontage onto Victoria Street at ground floor, with cafés and restaurants also at ground floor within both blocks. Residential apartments are provided at four upper floor levels. A basement level over the whole southern site will provide car parking with access being from Civic Close. The servicing entrance to the basket foodstore and A3 uses will be to the rear of the western block accessed using a dedicated route to the east of the Magistrates Court. Servicing vehicles will park in a loading bay on Civic Close with goods trolleyed down to the servicing entrance. This approach will provide a better solution in comparison to Option 1, and have the effect of not compromising the environment of the pedestrian route from The Maltings. We would seek to provide the front door to the foodstore on the pedestrian route. This will promote pedestrian movements from the Maltings/Victoria Street onto our north-south pedestrian route and combined with active frontages here will enhance flow into the northern area of the site.
- 6.26 On the northern site, the extension to the Arena will help to create space for the parking of vehicles and greater back stage storage that is lacking at present. Also, given the need for service vehicles to remain in situ at the rear of the Arena, sometimes for the whole of a week long run, it will be important that this area is enclosed to ensure that the pedestrian route does not present the feel of a service yard. The redeveloped car park will provide parking at two levels – undercroft and ground, with residential provided at four upper floors. The car park could provide 180-200 car parking spaces (from the current number of spaces which is 370) with access from either Civic Close or Charter Close or potentially both. Servicing vehicles for the residential block will park in the public realm between the new block and the Council Offices. The redevelopment of the car park is likely to require an upgrade/new plant to be installed for the Arena, which is located here. The refurbishment of the Council Offices will be to a good quality standard with sustainability upgrades to create a more energy efficient building.



Figure 6.9: Option 2 – Servicing



Figure 6.10: Option 2 – Car Parking and Egress

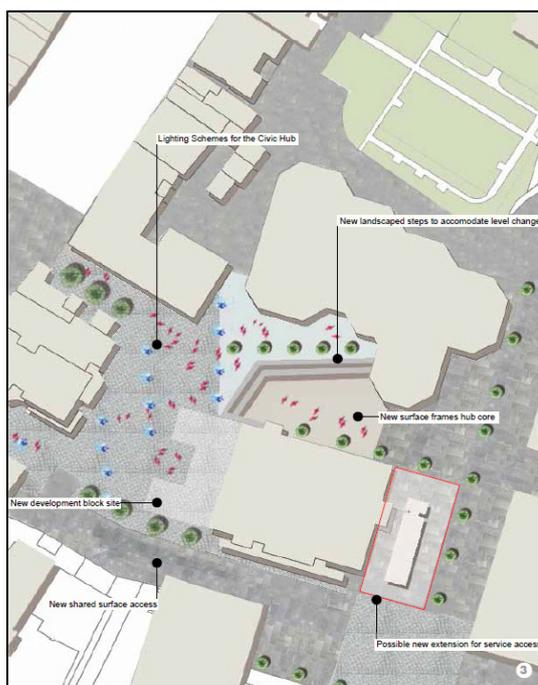


6.27 The key areas of public open space for Option 2 will be around Alban Arena and the new pedestrian walkway from The Maltings, together with improvements to the link between Civic Close and Victoria Street adjacent to the Magistrates Court. The treatment of the public realm could be a uniform



set of materials that creates a shared surface along Civic Close and the pedestrian route from The Maltings. A more usable space would be created between the Civic Centre and the Arena by removing the existing clutter and creating a more defined space that can be used for events in the city centre.

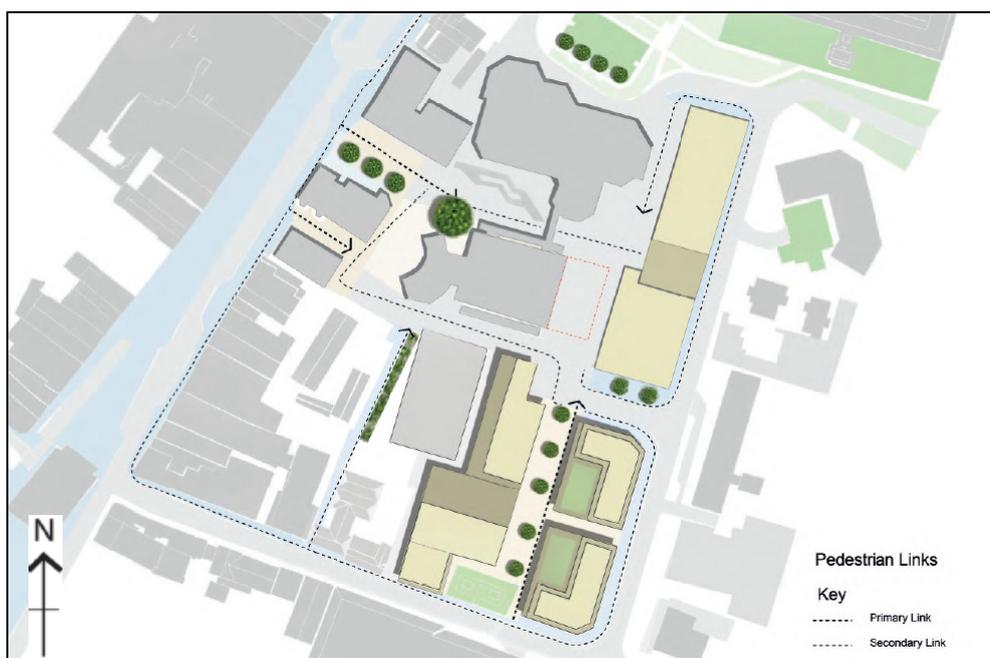
Figure 6.11: Option 2 – Key Areas of Open Space





6.28 In terms of pedestrian links, the introduction of the new route from The Maltings and an improvement to the existing walkway from Civic Close to Victoria Street creates a more permeable site allowing pedestrians to wander through to St Peter's Street either via the existing Civic Close or via the rear of Alban Arena into a enhanced public square.

Figure 6.12: Option 2 – Pedestrian Links



6.29 Table 6.2 shows the quantum of floorspace that could be developed on the site.

Table 6.2: Option 2 – Land Use Quantum

Land Use	Southern Site (Police/PCT/Antringham)	Northern Site (Council owned)
A1 Foodstore	14,200 sq.ft. GIA (10,000 sq.ft. NSA)	-
A3 Café/Restaurant	24,000 sq.ft. GIA	-
C3 Residential	91,000 sq.ft. NSA (122 units @ average of 750 sq.ft. per unit)	79,000 sq.ft. NSA (105 units @ average of 750 sq.ft. per unit)

GIA – Gross Internal Area
NSA – Net Sales Area



Option 3 – Comprehensive Solution

- 6.30 Option 3 is designed to create a comprehensive redevelopment of the site to create a new civic/cultural hub around a new public square. The scheme focuses development on the northern site around the existing Alban Arena, which remains in situ and is likely to be refurbished and extended rather than redeveloped in the short term. The Council Offices are demolished and a new building provided that creates accommodation for the Council and other organisations, such as the PCT. The car park is redeveloped to provide a mixed use scheme of commercial and residential uses.
- 6.31 Option 3 as set out in the diagrams below is designed to create a new public square for the city centre that has active frontage at ground floor and overlooking it to draw people from both St Peter's Street and The Maltings to create a new civic/cultural hub for the city.
- 6.32 The southern part of the site is the same layout as in Option 2 and provides a high quality pedestrian route to draw people up into the new public square. The presence of commercial ground floor uses along the route is designed to maximise interest and footfall throughout the new scheme.
- 6.33 This option is likely to be the most contentious in heritage terms, as it has the greatest overall impact on the character and appearance of the conservation area, and on the other heritage assets previously identified with building heights at a potential maximum of seven/eight storeys. It would need to be robustly demonstrated that the scheme would preserve or enhance the character or appearance of the conservation area, or enhance the significance of the heritage assets. The delivery of the northern part of the site is predicated on the Council deciding to redevelop the Council Offices and temporarily relocate off-site whilst construction work is being undertaken.
- 6.34 In terms of land uses, a new five storey office building will be developed for Council occupation on the northern site, with the car park redeveloped for ground floor cafes and restaurants and a gym with residential apartments to a maximum of four/five (five/six storeys in total) or six/seven upper floors (seven/eight storeys in total). We have run appraisals on both these bases. You will see from Figure 6.16 that the higher storeys of blocks are angulated



in order to minimise its impact on the Conservation Area and the setting of listed buildings, particularly the Almshouses.

6.35 The Alban Arena will be refurbished in this option, with a new foyer area and building attached to the front of the building. The new three storey building has the potential to cater for additional restaurant uses at ground floor with an Ideas Store/Library provided at two upper floors.

Figure 6.13: Option 3 – Land Uses

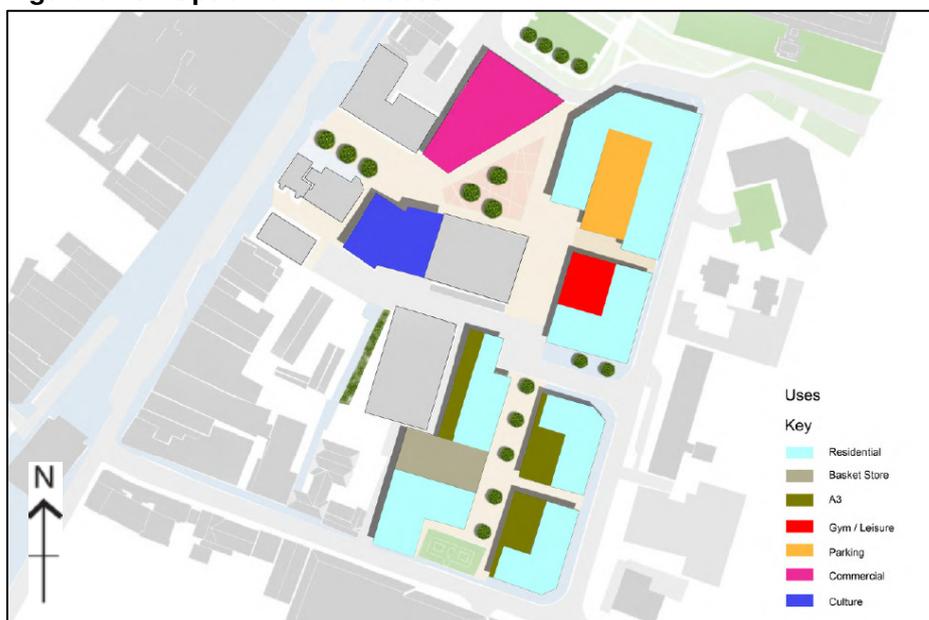
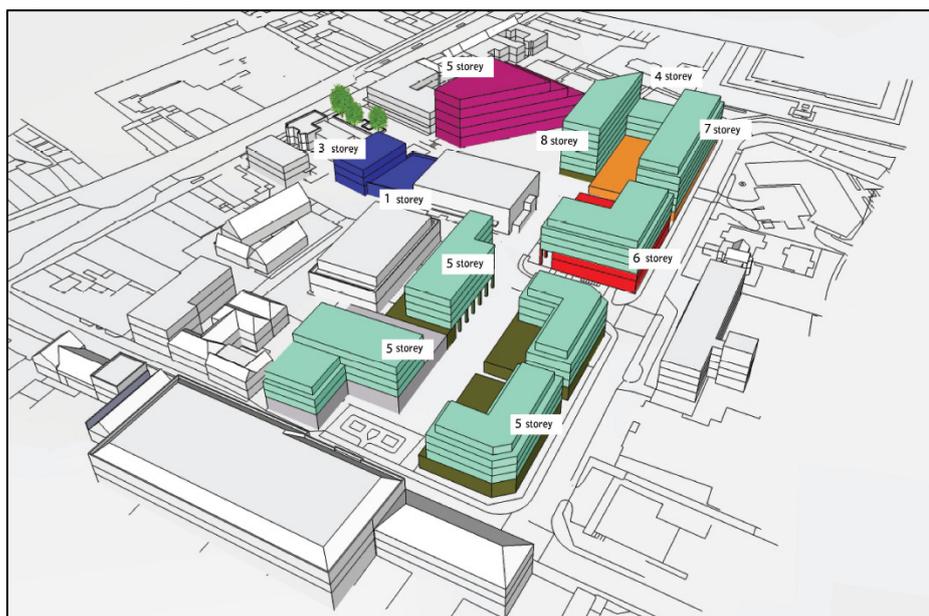


Figure 6.14: Option 3 – Building Heights (Scenario 1 7/8 Storeys)





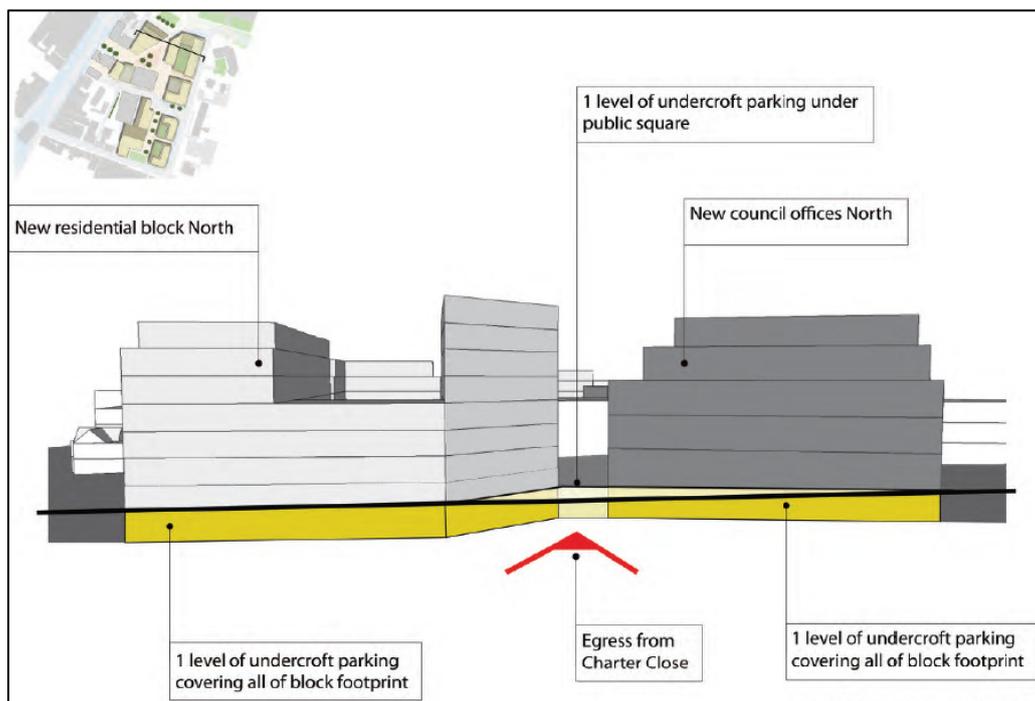
- 6.36 The southern part of the site has the same uses as set out in Option 2, including a basket foodstore and cafes/restaurants at ground floor with residential at four upper floors. Servicing and car park will be the same as Option 2.
- 6.37 Servicing for the northern development site including the Arena will be via a new basement. The majority of servicing vehicles will not access the basement but goods will be trolleyed to the lower level before distribution to the different buildings. Servicing vehicles will park on Civic Close near to the junction with Bricket Road. The basement will also accommodate a car parking area that could have capacity for up to 250 cars to cater for both residents, Council staff and Members and visitors to the Arena (which is lower than the 370 spaces currently provided within the multi-storey car park). Access to the basement car park will be via Charter Close or Civic Close or both.

Figure 6.15: Option 3 – Servicing





Figure 6.16: Option 3 – Car Parking and Egress



6.38 Option 3 creates new areas of public space as shown in the diagram below, including a new public square linking to Municipal Gardens, St Peter's Street and Bricket Road and an area of public space between The Maltings and Civic Close, which would have seating along the walkway, as well as planting to replace the trees that are lost through redevelopment.

6.39 Pedestrian links through the site are more visible in terms of sight lines with a clear vista from The Maltings northwards through to the public square. The new arrangement is designed to strengthen the route from St Peter's Road, through the new public square to The Maltings as the primary pedestrian route with the Civic Close route a secondary link. The design improves access to Municipal Gardens, which should have a more prominent entrance, possibly through the removal of the existing railings to help create a more usable green space within the city centre.



Figure 6.17: Option 3 – Key Areas of Open Space



Figure 6.18: Option 3 – Pedestrian Links





6.40 Table 6.3 shows the quantum of floorspace that could be developed on the site.

Table 6.3: Option 3 – Land Use Quantum (Scenario 1 – 7/8 Storeys)

Land Use	Southern Site (Police/PCT/Antringham)	Northern Site (Council owned)
A1 Foodstore	14,200 sq.ft. GIA (10,000 sq.ft. NSA)	-
A3 Café/Restaurant	24,000 sq.ft. GIA	15,500 sq.ft. GIA
C3 Residential	91,000 sq.ft. NSA (122 units @ average of 750 sq.ft. per unit)	135,000 sq.ft. NSA (180 units @ average of 750 sq.ft. per unit)
B1 Offices	-	50,000 sq.ft. NIA
D2 Gym	-	11,300 sq.ft. GIA
Arena Foyer	-	3,800 sq.ft. GIA
Ideas Store/Library	-	6,500 sq.ft. NIA

GIA – Gross Internal Area; NSA – Net Sales Area; NIA – Net Internal Area

Table 6.4: Option 3 – Land Use Quantum (Scenario 2 – 5/6 Storeys)

Land Use	Southern Site (Police/PCT/Antringham)	Northern Site (Council owned)
A1 Foodstore	14,200 sq.ft. GIA (10,000 sq.ft. NSA)	-
A3 Café/Restaurant	24,000 sq.ft. GIA	15,500 sq.ft. GIA
C3 Residential	91,000 sq.ft. NSA (122 units @ average of 750 sq.ft. per unit)	122,000 sq.ft. NSA (163 units @ average of 750 sq.ft. per unit)
B1 Offices	-	50,000 sq.ft. NIA
D2 Gym	-	11,300 sq.ft. GIA
Arena Foyer	-	3,800 sq.ft. GIA
Ideas Store/Library	-	6,500 sq.ft. NIA

GIA – Gross Internal Area; NSA – Net Sales Area; NIA – Net Internal Area



7 Financial Appraisal of Options

Introduction

- 7.1 This section of the report presents the financial appraisal of the three options for the Civic Centre Opportunity Site.
- 7.2 The appraisals have been undertaken using the ProDev software package, which provides a cashflow and produces a residual land value for each option based on an assumed developer's profit.
- 7.3 The value inputs to the appraisals have been provided by Knight Frank based on its property market review. The build costs, including demolition and landscaping costs and estimated refurbishment costs have been provided by Gardiner & Theobald.
- 7.4 The appraisals are based on the drawings and schedule of accommodation produced by Broadway Malyan.
- 7.5 At this stage, it should be noted that we have limited knowledge of the future accommodation and car parking needs of the Council. In addition, we have limited knowledge of the ground conditions in the area, which may affect the development costs, such as archaeology.
- 7.6 These financial appraisals do not constitute formal Red Book valuations in accordance with the RICS Valuation Standards, although the results of the appraisals provide a high level understanding of the viability of the options at today's costs and values. It should be noted that the appraisals do not include any on-going revenue costs for operating refurbished or new facilities within the Council's ownership.
- 7.7 The key assumptions for the financial appraisals together with the key appraisal print outs are provided at Appendix 1.



Sustainable Construction Methods

8.39 In thinking about sustainability credentials for the site it is important to consider the Government's planning objectives within PPS22 and the supplement to PPS1 on Climate Change, which seeks a local authorities to encourage greater use of renewable energy on new development schemes where appropriate. The South East Plan (although due to be abolished) sets a target of at least 10% of renewable or low carbon sources developments of more than 10 houses or 1,000 square metres.

8.40 The development at Civic Centre South and the wider city centre provides an opportunity to deliver a more sustainable approach to renewable energy in design, construction and operation through clusters of new buildings.



8.41 This particular development cluster, possibly linked to other key City Centre sites such as Drovers Way would allow the Council to establish itself as an exemplar of sustainable development, by satisfying the requirements of the national and local planning policy whilst also exceeding the Building Regulation standards. Indeed, the Hertfordshire Renewable and Low Carbon Energy Technical Study presents a series of recommendations including the potential for district heating opportunities.

8.42 There are a number of 'passive' measures which can be incorporated into a design solution for a new building with minimal financial impact, including:

- Shallow floor plates to allow good levels of natural daylight and natural ventilation;
- Solar shading;
- High performance envelopes with U values 30% below Building Regulations Part L for new buildings; and
- Green and brown roofs.

8.43 For energy efficient measures a number of different technologies exists, each of which can contribute toward delivery of renewable energy. Such technologies include::

- Air source heat pumps
- Earth duct labyrinths: reduced mixed mode ventilation system; and
- Photovoltaics.

8.44 In addition to energy efficiency measures, various sustainable strategies for the following must be considered:

- Water;
- Materials choice;
- Waste/recycling;
- Pollution;
- Locally sourced materials;
- Health and wellbeing;



- Management;
- Land use and ecology;
- Transport; and
- 'Reducible before renewable' approach.

8.45 A key benefit of these sustainable measures are the 'long-term' savings in operating costs, reputation, better build quality, recognised achievement and enhanced asset values. However, the payback time of different technologies do vary. An indicative range of payback periods is presented in the table below. This information has been collated by Gardiner & Theobald on a number of detailed schemes. The payback periods are a reflection of not only the financial benefit of lessening the dependency on traditional energy sources and costs (and their current price volatility) but also the ongoing reducing efficiency of the system. For example PV's are much less efficient after 5 years, plus their planned maintenance regime becomes more onerous and expensive as the years go by.

- **Renewable Energy**

○ Photovoltaics	50 years
○ Solar hot water heating	3-5 years
○ Biomass	10 years
○ Wind turbines	10-15 years
○ Geothermal heating and cooling : open	5-10 years
: closed	15 years
○ Combined heat and power/Tri-generation	10-15 years

- **Water Recycling Systems**

○ Rainwater harvesting	5-10 years
○ Grey water	5-10 years



- 8.46 In summary, even advanced technologies have relatively short pay back periods.
- 8.47 In respect of the St Albans Master Plan area, the ability to 'link' various building types, different uses, and different peak demand times across a full working day offers considerable opportunity.
- 8.48 Simplistically, office buildings tend to overheat and need to be cooled by extracting heat – this heat can be turned into energy, the energy can be captured and stored and release to provide heating and hot water to adjacent residential/night time operational facilities – thereby re-using waste heat and balancing/reduce peak demand loads. It is this opportunity which allows a wider consideration of innovative green infrastructure.
- 8.49 However, not all technologies/solutions are appropriate to this location and some require a much greater 'forward look/investment' in order to secure the future benefits.
- 8.50 We are also aware of the pressure Council's will soon find themselves under, as they seek to achieve their 'Carbon Reduction Commitments' and avoid penalty payments for non-achievement'. This strengthens the case for investment in the energy efficient/reduced carbon solutions – but all these come at a cost premium.
- 8.51 In relation to the St Albans master plan study area, it would be difficult to deliver either a Biomass or Wind Turbine solution. Biomass solutions require a large central area for deliveries/material storage, a separate building, a chimney – often 20-30m tall – with value reduction impact.
- 8.52 Wind turbines would need to be of a significant scale and potentially inappropriate to the urban location.
- 8.53 The most appropriate solution would appear to be geothermal – using a labyrinth of pipes to preheat/pre-cool air – dependant on the time of year – but again the plan area for pipes would sterilise a high proportion of the site area and would need to be located beneath any below ground car parking to avoid it being made redundant by any future developments.
- 8.54 Combined heating and power/trigeneration plants would be an appropriate solution provided adjacent developments/owners/occupiers all bought into



the initiative from the outset, including landowners at Drovers Way that could 'link' into the CHP at a later stage. The challenges to be overcome here are about achieving sufficient critical mass of demand to make the installation viable in the short to medium term. New technologies, particularly with different energy sources can deliver a 'modular' central plant solution which can be expanded as and when needed to meet increasing demand – a gas solution still remains the most flexible and viable.

- 8.55 Photovoltaics are an easy solution but in themselves, they are unlikely to meet the 'renewables energy' target demanded through the planning process. Roof space within mixed use developments are particularly 'high demand' for various uses/value enhancers – but any surplus energy generation can now be fed back into the grid with an appropriate income stream created.
- 8.56 Solar hot water heating systems are particularly effective in satisfying the demands for hot water in office buildings/toilets/showering facilities.
- 8.57 Better use of water recycling systems, coupled with green or brown roofs remains an easily deliverable opportunity for St Albans and can be provided on a block-by-block basis if required.
- 8.58 Within all these innovative green building solutions it is the balance between 'initial capital expenditure' and the annual reduction in energy savings coupled with the wider carbon reduction commitments faced by Councils. These same demands may not be equally felt by 'commercial/trader developers' who do not hold the finished properties as a long term asset – it is the rate of return on the investment which is key – furthermore, research has shown there is little appetite by residential purchasers to pay more capital for longer term improvements in energy efficiency and reduced energy bills.
- 8.59 The Council must adopt a robust stance, with a long-term vision (10 or more years) to fully integrate this mixed-use scheme and deliver upon an innovative/sustainable infrastructure plan. There are many more recent examples – but those now coming forward appear to be reliant on some form of Government subsidy/funding e.g. Green Deal, or enabling investment, with a 'claw back' arrangement as other developments proceed – so as to help 'kick start' the initiative.



9 Summary and Recommendations

- 9.1 This report presents the options of the consultancy team led by Knight Frank to redevelop the Civic Centre Opportunity Site in central St Albans. The advice expressed in this report by the consultants is independent and does not necessarily reflect the Council's own view on how to redevelop the site from a planning or landowner perspective.
- 9.2 The report is designed to provide technical advice on the range of options that should be considered in the future planning and development of the site. Whilst we consider that we have taken a sensible approach to extant planning policy, there are areas in which our urban design analysis has led to solutions which may not be consider entirely 'compliant' although where possible we have highlighted alternative solutions accompanied by financial sensitivity analysis.
- 9.4 The site has a number of opportunities and constraints. There are several key fixes on the site that need to be maintained and in some cases enhanced. These include the Magistrates Court, Alban Arena, Quaker Burial Ground, Municipal Gardens, the retail properties fronting St Peter's Street such as Lockey House, Forrester House and The Grange, and 17, 19 and 21 Victoria Street. The key opportunity sites identified for redevelopment include the Police Station, Hertfordshire House and adjacent surface car park, the Council offices and multi-storey car park.
- 9.5 There are also some key planning constraints pertaining to the site, such as the St Albans Conservation Area, with the presence of several Tree Preservation Orders and listed buildings (within and on the edge of the site). In addition, the Council's Building Height Control Area restricts the



opportunity for tall buildings within the site.

- 9.6 There is an existing planning allocation for the southern part of the Civic Centre site that promotes a range of uses, including retail, civic, leisure, cultural and entertainment plus public car parking, as well as an improved pedestrian route through the site from The Maltings to the Alban Arena.
- 9.7 In terms of potential land uses to promote on the site, our market research revealed a continued healthy demand for new housing in the City for both apartments and houses, which is supported by current development activity; demand for foodstores from national operators; continued demand from restaurant chains; and a viable office market albeit this is not what would be considered the prime location for offices in St Albans. Due to the constraints on site development and the size of the site, it was concluded that a large comparison retail scheme anchored by a department store would not be feasible.
- 9.8 The design of the options therefore sought to protect and enhance the historic nature of St Albans City Centre, improve pedestrian links from The Maltings into the heart of the site and onwards to St Peter's Street, provide greater usage and connectivity to the Burial Ground and Municipal Gardens, and promote a range of uses including food retail, restaurants and residential. The options also considered retaining and refurbishing the Council offices, and also redeveloping them.
- 9.9 Three options were drawn up for the site, as follows:
1. "De Minimis" Solution (southern site only)
 2. Part Refurbishment/Part Redevelopment Solution
 3. Comprehensive Solution
- These should not be considered mutually exclusive, and indeed illustrate the potential for a phased solution.
- 9.10 Option 1 is sympathetic to the existing planning context and enables the Herts Police and Antringham sites to be delivered without any encumbrances on each other. The site delivers a new foodstore, restaurant



use and residential at upper floors.

north is left untouched.

The Council land to the

9.11 Option 2 seeks to replace the TPOs on the southern site, and assemble the Police, PCT and Antringham sites to create a more holistic development solution that creates a stronger pedestrian link between The Maltings and Alban Arena. To the north, the existing Council offices are refurbished and improvement works undertaken to the Arena. Enabling development is undertaken on the site of the multi-storey car park.

9.12 Option 3 is a more radical solution whereby the Council offices and multi-storey car park are demolished. The Council offices are re-provided within a new building creating a new public square with development around it. The southern site is developed in the same way as Option 2. The southern site is deemed financially viable. However, the northern site is only viable where the Council pays circa £17.75 per sq.ft. per annum or more for the new offices on the site. Otherwise the overall development produces a negative land value.

9.14 It is possible that one of these options, or a combination of all three could be delivered on the site. In planning for the future of the site, we would recommend that the Council retains a flexible approach, as it is apparent that more technical work is still required to determine whether it is cost effective for the Council to either refurbish or redevelop their offices. In addition, the southern site could be delivered in partnership as a whole or separately, although given the Herts Police pressing need to construct a new Police Station in the City the complexity of reaching agreements between the



owners may well lead them to look to progress more straightforward schemes in isolation on their own sites. This emphasises the need for a coherent masterplan to be captured within emerging policy.

9.15 Within this context, there are some clear design principles that the Council should seek to deliver as part of any scheme, including:

- A pedestrian link between The Maltings and Alban Arena;
- Public realm enhancements to the area between the Arena and the Council offices;
- Enhancement of the walkway between Civic Close and Victoria Street;
- More attractive setting for the Burial Ground
- Retention of a pedestrian route to the rear of Alban Arena;
- Greater connectivity and usage of Municipal Gardens; and
- Servicing and accessing development from Bricket Road rather than Victoria Street.

9.16 In taking forward the project, we envisage that the next steps are likely to be:

- Production of a Planning Brief for the site, including consultation with all landowners;
- Further technical work on the Council's operational accommodation requirements, including cost/benefit analysis of refurbishment and redevelopment schemes and involving all relevant public sector organisations, such as the PCT that may be seeking to rationalise their accommodation and could co-locate with the Council;
- A detailed assessment of The Alban Arena in relation to the level of costs required to extend the life of the building and create additional backstage space and/or a more commercial frontage; and
- Procurement of a building contractor or developer to either refurbish the existing Council offices or redevelop the offices and multi-storey car park.