

**Commercial Sites Assessment Study**

**to assist the preparation of an**

**Area Action Plan**

**for**

**Wolverhampton City Centre**

**December 2014**

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## **1 Introduction**

- 1.1 This Commercial Sites Assessments Study has been commissioned by Wolverhampton City Council to assist the preparation of an Area Action Plan (AAP) for Wolverhampton City Centre for the period to 2026. It seeks to provide an objective market assessment of the City Centre's potential to both accommodate and deliver new development over the plan period.
- 1.2 The adopted Black Country Core Strategy (2011) sets out key development targets for the City Centre which are ambitious given the changing economic conditions. Potential development opportunities need to be reassessed to ensure that they are fit for purpose, market facing and deliverable. This study, in tandem with the Retail Update Study conducted by consultants HollissVincent (HV), provides a key piece of evidence for the AAP as it progresses.

## **2 Terms of Reference and Approach**

- 2.1 This study provides advice on the following key objectives and issues:
  - 2.1.1 An objective market assessment of the City Centre's potential to both accommodate and deliver new development over the plan period.
  - 2.1.2 An accurate baseline position of the commercial market conditions in Wolverhampton City Centre - this is essential to evaluating future development opportunities and the capacity for alternative and future uses. Furthermore, a thorough understanding of site specific issues, such as the proximity of sites to one another, existing uses and infrastructure, is essential in understanding how the city centre may be most effectively planned to evolve on a phased basis and maximise the regeneration potential of future market-led investment.
  - 2.1.3 Through a combination of site inspection, Council reports and previous reports completed by Bruton Knowles for the Council (including recent Soft Market Testing work for the Southside and Westside areas of the City Centre), an updated terrier record reviewing the availability, suitability and deliverability of an agreed list of sites, has been completed. Recording and analysis of site constraints and other relevant information enables future work and planning to be undertaken at a much quicker pace and with greater accuracy to ensure that future investment is not lost to the city.

- 2.1.4 A detailed assessment of the deliverability of each identified Development Opportunity site, commenting upon the viability of delivering potential uses in the current and emerging property market and planning context – the work is market facing and takes advantage of Bruton Knowles’ significant knowledge of the Wolverhampton and Black Country property market and those working, developing and investing in it.
- 2.1.5 With the benefit of the Retail Update Study prepared by HV and an analysis of development opportunities, we then recommend a phased land use strategy over the plan period, together with recommendations on the deliverability of sites for alternative uses.
- 2.1.6 Projecting the right image and identity of the City Centre, together with a clear identification of the business opportunities available is essential to encourage investor, developer and ‘end user’ interest. Part of the solution is in working with the City Council and other stakeholders to promote the opportunities that the City in its widest context can provide. This includes Wolverhampton’s success in high-tech lean engineering, aerospace, manufacturing and the car industry, and being situated at the heart of the motorway network and proximity to the lengthened Birmingham Airport with increased flights from Asia. These considerable positive attributes can be used to generate investment at a more local level. In summary, we will advise on appropriate strategies to improve investment in the City Centre, at both macro and micro levels.
- 2.1.7 A clear understanding of development opportunities, in their widest context, will enable a holistic overview to be taken, assisting in the identification and delivery of factors that can achieve maximum impact both on a site-by-site basis but also in its widest sense. Similarly, sites assessed to be financially unviable on a stand alone basis may be deliverable through association with adjacent land and/or interventions such as improvements to the environment and accessibility – we identify such constraints and solutions.
- 2.1.8 The property market is currently extremely fluid. This situation is likely to continue as the economic climate and government policies respond to national and international pressures – all plans which relate to the property market should provide clear unambiguous statements on the development potential but with flexibility to encourage not deter potential investment.
- 2.1.9 We identify the pre-requisites to successful transformational change at both a strategic and local level including city centre parking, place marketing and urban design quality.

2.1.10 Indicative floorspace outputs for each site, prospective mix of uses and the timing of development is set out within Appendix three. This is our current assessment, based upon the prevailing market place and the findings of Soft Market Testing. These outputs are indicative, not prescriptive given that future land and property demands will need to be flexible in order to be able to respond to the 'fast moving' global economy. The timing for future development has been assessed as follows:-

Short term – before 2016

Medium term – 2016 – 2021

Long term – 2021 – 2026 and beyond.

2.2 This study was completed over the following stages:-

2.2.1 **Commissioning Meeting**

A commissioning meeting was held to agree Terms of Reference, Character Areas and key sites within each area that were to form the basis of the study. At this meeting 12 initial Character Areas were identified with approximately 40 sites to be appraised. The commissioning meeting was attended by appointing officers for a Soft Market Testing exercise for key sites within the city centre and also the HollissVincent Retail team, given that the results of each were identified as being mutually beneficial and informative.

2.2.2 **Baseline Work**

Baseline work was completed in three stages:-

2.2.3 **Stage 1 – Desk Based Research**

With Character Areas and sites relevant to each defined, a review of appropriate studies and intelligence for each was undertaken.

2.2.4 **Stage 2 – Site Inspections**

Individual site inspections were completed for each Character Area, recording data on current occupation, adjacent uses, physical and other constraints and possible future redevelopment opportunities.

2.2.5 **Stage 3 – Analysis**

With the benefit of information gathered over Stages 1 and 2, Soft Market Testing exercise results, the HollissVincent Retail Study and Bruton Knowles experience of the property market, the possible future use(s) of the key sites were considered with outputs identified including, indicative floor areas, timing, future use(s), and likely constraints. These included the availability, suitability and deliverability of each site. Finally a further review was undertaken for each Character Area and whether the outputs determined for each site were complimentary and sustainable.

### 3.0 Market Review

3.1 Our Property Market Review has been based upon the following:-

- Soft Market Testing Report for Westside and Southside;
- The Retail Update Study undertaken by HollissVincent;
- Bruton Knowles' own property intelligence;
- Feedback from local agents, developers/investors and landowners.

3.2 Our Property Market Review comprises a general overview of the current city centre property market including the final eleven Character Areas (given that two Character Areas were merged) in respect of the main land uses – residential, retail, commercial (including offices) and industrial, leisure and education. This review provides information on indicative property values and assessed/forecast levels of activity to guide site deliverability. Although our analysis is split into sectors we recognise that, wherever appropriate, the flexibility of mixed use development should be encouraged to provide sustainable communities. This Market Review will help inform the strategic planning decisions of the City Centre AAP. The National Planning Policy Framework (NPPF) para 23 bullet point 6 states that Local Planning Authorities (LPAs) should “allocate a range of suitable sites to meet the scale and type of retail, leisure, commercial, office, tourism, cultural, community and residential development needed in town centres.”

3.3 In terms of planning for these types of uses, HollissVincent's Retail Update Study provides a steer on quantitative and qualitative need for comparison and convenience provision, which complement our commercial analysis of the retail market and development opportunities. Other uses, such as leisure do not so readily lend themselves to being subject to modelling work by projecting future quantitative need based on past trends, particularly for uses where new markets are emerging. This is true to some extent in relation to Grade A offices, where there is a reliance on the market bringing development forward. In this context we advise that the role of the AAP is to set clear strategic priorities to provide both a balance between certainty and flexibility to the market, planning to protect important existing uses (such as cultural), prioritising uses where there is clearly currently a lack of provision (such as a large modern cinema), and create opportunities through the provision of a portfolio of suitable sites to attract market interest and facilitate investment and regeneration (such as offices). A market commentary for various land uses is now discussed in turn.

## **Residential**

- 3.4 The city centre residential property market comprises two geographical zones defined by the ring road. Inside the ring road, no new-build housing or apartments have been completed since 2007, the start of the recession. Evidence gained from the Soft Market Testing exercise has confirmed that developer interest is increasing in delivering apartments for city centre living, albeit for the private rented sector at this stage. Experience elsewhere in the UK has shown that this form of residential development is a crucial first step in securing mixed tenure development in city centres to increase investment confidence. Furthermore, developer feedback is clear that city centre living is seen as enabling the delivery of mixed-use developments such as leisure and retail.
- 3.5 Although there is a recently commenced apartment scheme within site reference 11a (the former Sunbeam building) for a mix of private rented apartments and learning disability housing, outside the ring road housing demand in the short/medium term is likely to be limited to traditional family housing as confirmed by the ongoing housing schemes in the Blakenhall and All Saints areas, such as the Royal Gardens Keepmoat development. This form of development is also considered appropriate for the former St Luke's School site (11h former St Luke's School 11i Moorfield Road) and also site 10a Tower and Fort Works within the Graiseley and Blakenhall Character Area. As market conditions improve, and with key investments being delivered such as the University investment at Springfield Brewery in the Canalside Quarter, and also investment at the Interchange, over the medium/longer term it is anticipated that further apartment developments will be delivered in close proximity to sustainable locations. Here, for example, prospective residents can buy more affordable property within easy commuting distance to other urban locations such as Birmingham City Centre. We consider that Development Opportunity sites 4j (former BR Goods Depot Bailey Street) 4k (Mill Street Depot) 4l (Crane Foundry) and 4m (Former Stamping Works Horseley Fields) will be such locations.
- 3.6 The ongoing availability of mortgages, low interest rates, changes to Stamp Duty and Government assistance through Help to Buy is likely to maintain momentum, particularly within the family housing market. In addition, Homes and Community Agency (HCA) investment in its affordable housing programme offers the opportunity to extend affordable housing provision in areas similar to All Saints and Blakenhall. The Soft Market testing has highlighted the current availability and funding for the Private Rented Sector.

## **Retail**

### **Overview**

- 3.7 This section of the report has utilised the work undertaken by Wolverhampton City Council's retail consultant Hollissvincent (HV) as well as BK's own findings.
- 3.8 Despite the impact of the economic recession and online retailing, Wolverhampton is still regarded as one of the major retail centres in the West Midlands, with an estimated 146,850sq.m of retail floorspace. An extensive range of comparison and convenience stores are located within the central core with bulky goods on the periphery of the City Centre.
- 3.9 Recent investment in Telford and Birmingham City Centres have challenged Wolverhampton's attractiveness as a shopping destination. Over the timeframe of the AAP, in order to improve its position, Wolverhampton will need to consolidate, enhance and diversify its retail and leisure offer.

### **Comparison Goods**

- 3.10 The City Centre provides the main focus for comparison goods shopping in a range of converted older and historic buildings in and around Queen Square, together with more recent predominantly mall type developments at the Mander and Wulfrun Shopping Centres.
- 3.11 This sector has experienced the largest retraction through the recession with a current vacancy rate of 17% compared with 10.6% nationally. There are, however, recent signs of increasing investment confidence as demonstrated by the recent £59m acquisition of the Mander Centre by Benson Elliot and their commitment to implement the planning permission to reconfigure and refurbish the Mander Centre, including Debenhams' commitment to open a new anchor Department Store as part of the development.
- 3.12 HV 's analysis of a basket of 100 national multiple retailers has indicated that 68 are currently represented in Wolverhampton. Of the 32 missing from the City most are low to middle end fashion retailers such as Zara, French Connection, Gap, Superdry, Monsoon and Laura Ashley. Although many of these are already represented in competing centres at Merry Hill and Telford, the commitment to enhance the Mander Centre as outlined above, offers considerable potential to improve the city's retail offer.

- 3.13 HV's conclusion is that the residual need for further comparison goods floorspace is likely to rise after 2021, so that the clear priorities for the short term, should be remodelling, reusing and refurbishing the existing retail stock and seeking a reduction in void space through reoccupation for retail space or for redevelopment for other land uses. HV estimate the requirement for comparison goods floorspace in the period up to 2026 ranges from 22,500sq.m to 37,200sq.m (the higher figure representing the aspirational approach of Wolverhampton securing an uplift in market share), including around 9,800sq.m of currently vacant space being occupied during this same period.
- 3.14 Finally, developer feedback on the Soft Market Testing identified the potential for new forms of retailing and an expansion of independent retailing, in particular within Southside (site 1b). These represent relatively small and fine-grain interventions indicating that it is unlikely that there will be any major new mall type large-scale retail developments in the short to medium term.

#### **Convenience Goods**

- 3.15 Large-scale convenience shopping is predominantly situated on the periphery of the City Centre, close to the Ring Road, with Sainsbury's recently having completed a new 80,000 sq ft store off Raglan Street and Ring Road St Marks.
- 3.16 HV conclude that a need for further convenience goods floorspace currently exists even with the new Sainsbury's store, because of the substantial level of overtrading which occurs in the catchment area. HV estimate that over the period up to 2026, the requirement for the convenience goods sector ranges from 7,150 sq.m up to 11,750 sq.m.
- 3.17 With regards to the Site Assessment work, the findings of HV and also the need for future sites to be sustainable, we consider that future convenience shopping will be delivered either through large format stores such as Tesco on the Royal Hospital (site 12a), in the All Saints Character Area and implementation of a planning consent for a new store at the Peel Centre (site 4b) in the Canalside Quarter or smaller neighbourhood convenience stores at sites 5a (Eye Infirmary) and 5b (Charles Clark building) within the Chapel Ash and West Park Character Area and also to serve residential communities in the Canalside Quarter and Graiseley & Blakenhall Character Areas.

**Independent Sector**

- 3.18 The role and the growth potential of the independent retail sector is often undervalued. This sector is increasingly gaining prominence in the retail strategies of Local Economic Partnerships (LEPs) nationally and we recommend that encouraging independent retailers should be prioritised to maximise the potential to regenerate parts of the City, reducing current void space and creating additional jobs. This approach was highlighted by a number of developers who responded to the Soft Marketing Testing work, particularly for the Southside area (1b). The success of independent sector shopping on Queen Street provides further confirmation of the key role of this sector in the future.
- 3.19 It is anticipated that the recent announcement of the new city centre Business Improvement District (BID) will help to encourage property enhancement and refurbishment, further strengthening the Independent Sector within areas such as Victoria Street, where funding could help to improve economic viability through enhanced shop fronts.
- 3.20 The city centre could be further diversified and its sustainability increased by encouraging the conversion of empty space above ground floor retail into residential accommodation, through, for example, a Living Over the Shops Initiative (LOTS). This opportunity will need the Council to be proactive with existing property owners to ensure a comprehensive and timely approach.

**Bulky Goods/Retail Warehousing**

- 3.21 Our Site Assessment has identified two sites with potential for Bulky Goods, 11g (former Metal Castings Site) in Graiseley & Blakenhall and 4b (The Peel Centre) in the Canalside Quarter. This sector has seen a retraction through difficult economic conditions and internet shopping. However, our research suggests that over a period of time demand will remain for sites that are situated in high profile locations adjacent to arterial roads.

**Offices**

- 3.22 The Wolverhampton City Centre office market is provided in a range of converted Victorian residential buildings, multi-storey office buildings constructed in the 1970s and accommodation above retail outlets. There is currently no occupied Grade A office space in the City Centre and the last office building to be constructed of any significance is St David's Court built in the early 1990s as part of a mixed development with the adjacent Novotel hotel.

- 3.23 During the process to select a development partner for the Interchange regeneration project in 2006, developers emphasised that demand for Grade A office space in the City Centre existed, but that this was currently being provided at Junction 2 of the M54, in particular Greenfields Lane, as no new space had been constructed in the City Centre. In response, and with the improving economic conditions, the Council is now funding the development of 3,910sq.m at Interchange 10 being a first phase of development on site 3b within the Interchange development envelope. It is considered that the Interchange has the capacity to accommodate a further 7,830sq.m of office space, with approximately 3,400sq.m within Phase 2 or Block 9 of the Interchange (site 3b) with the balance within site 3a.
- 3.24 In the short/medium term and until economic conditions, rents and investments yields improve, speculative Grade A office development is unlikely to be viable unless delivered as part of a more valuable mixed-use development and/or with public sector intervention. Feedback from developers on the Soft Market Testing for Westside and Southside broadly supported this position. The delivery of new office provision as part of the Interchange 10 development (site 3a) has the potential to 'kick start' the Grade A office market and catalyse regeneration, particularly in and around the Interchange. This provision will provide the opportunity to capture both latent demand (for example, to retain existing occupiers in Wolverhampton looking for better quality office accommodation and/ or to expand their businesses), and new 'footloose' occupiers seeking attractive and accessible locations.
- 3.25 Therefore, we consider that sites which could deliver Grade A office space are 3a and 3b at the Interchange and Site 8b (Broad Street Car Park) within St Peter's Cultural Quarter which, due to its proximity to the Interchange, could provide a further 11,750sq.m of floorspace in the medium to long term. Over the longer term we anticipate that site 8d (Birch St) in St Peter's Cultural Quarter could provide further office space.
- 3.26 The Black Country Core Strategy set out a highly ambitious, approach contained in the now revoked West Midlands Regional Spatial Strategy, reflected in Policy CEN3 of the Black Country Core Strategy. This set a maximum floorspace of 220,000sqm (gross) of net additional office provision by 2026 and did not take account of the effects of the latest economic downturn. It is not considered desirable for the AAP to identify sites for office development to meet the maximum floorspace figure cited in the Core Strategy because this would risk 'blighting' land as the market is highly unlikely to be able to deliver this quantum of development. As mentioned in para .25 above, it is more difficult to predict quantitative need, particularly for quality new office provision, as this market is more responsive to prevailing economic conditions and in any case is currently in the process of being established in Wolverhampton City Centre, with the recent start on site of Interchange 10. For this reason, this study sets out a commercial view recommending what the market could

realistically deliver over the plan period and the areas which should be prioritised for such uses, advising that office-led mixed-use development is delivered in planning policy terms by adopting a threshold approach set out in para xx below.

## **Industrial**

- 3.27 It is recognised that secondary Employment Areas LQE1-4 (see Appendix Two) and Sites 4j (Former BR Goods Depot, Bailey Street), 4k (Mill Street Depot) and 4n (Lime Kiln Wharf), in the Canalside Quarter, and sites 11b (Ablow Street), 11c, and part of 11i (Moorfield Road) are in industrial use within the AAP boundary and have potential to contribute to local employment provision. The Land Interests Study (2011) involved extensive research in the Graiseley & Blakenhall Character Area regarding the potential of sites for new housing or continued employment provision. This study found that secondary Employment Areas were reasonably well occupied, with a critical mass of industrial activity to commercially justify their retention for employment uses, including the organic growth of existing occupiers and/ or the improvement in the quality of the types of employment uses. However, we consider there is scope for some sites to come forward for new housing development, including (see paras 3.4-3.6). Site 10a (Tower and Fort Works) within Graiseley. This is a former multi-occupied and Council owned industrial estate, with a planning brief for residential development. In addition, a number of the sites within Blakenhall (11a, b, e, f, g and i), are considered as having similar potential for residential uses. This change of emphasis is recognition that some industrial buildings and sites within employment areas are likely to have a more viable future over the plan period coming forward for alternative uses. The recently commenced apartment scheme within site 11a (the former Sunbeam building) for a mix of private rented apartments and learning disability housing could act as a catalyst for residential coming forward in adjacent areas (such as Site 11b Ablow Street).

## **Leisure, Culture, Visitor and Evening Economy**

- 3.28 There are a range of important facilities within and adjacent to the City Centre relating to the leisure, culture, visitor and evening economy.

Our research has identified the following issues and opportunities:

- 3.28.1 Whilst public perception is that the leisure offer is limited and does little to attract tourists and visitors, considerable scope exists to increase the City's identity and profile, building upon successful entertainment venues such as Wolverhampton Wanderers FC, Art Gallery, Grand Theatre and the Little Civic concert venue. These valuable assets should be protected, complemented and enhanced.

- 3.28.2 With the exception of the Dudley Street and Queen Square pedestrian area, the environment and general landscape of the City Centre would benefit from being enhanced to increase attractiveness to meet the Council's aspiration for the public realm as set out in its Prospectus (2012). The Council is in the process of bringing forward a programme of Transport and Public Realm improvements and it is understood the Council will prepare a Public Realm Design Guide to help improve the environmental quality of the City Centre.
- 3.28.3 The evening economy is dominated by a 'vertical drinking culture', geared towards students. A key criticism of the leisure offer is that there are very few restaurants particularly for the business community and families. A more diverse evening economy should be encouraged to attract a wider variety of visitors and compete with other destinations. The commitment by the Hungry Horse pub chain to occupy a ground floor unit of the recently commenced Interchange 10 scheme (site 3b) is a positive step in the right direction.
- 3.28.4 The Soft Market Testing exercise has clarified an opportunity for a new cinema complex in the City Centre, to complement the independent Lighthouse cinema in St Peter's Cultural Quarter. The Soft Marketing Testing clearly identified that leisure is a key component in regenerating both the Westside and Southside Character Areas, with a cinema and associated restaurant and bars being potential catalysts for comprehensive mixed-use development in Westside. These potential uses would complement the recently commenced Youth Zone in site 2a.
- 3.28.5 Hotel provision is recognised as playing a crucial role in supporting both the leisure economy and other functions of the City Centre such as offices and retail. The 2009 Hotel Study identified the potential for new Hotels to provide up to c.340 bed spaces to serve the City Centre to 2026. We consider that a clear opportunity exists for hotel provision to be focussed at the Interchange (site 3a), due to its highly accessible location and to complement the commercial uses coming forward – however there may be some issues over viability which may need to be addressed. Hotel provision could also play an important role in leisure-led mixed use development in the Westside Character Area.
- 3.28.6 In terms of other commercial leisure uses (such as health and fitness clubs, bingo, bowling and ice-skating), these could contribute to: diversifying the economy; delivering investment, regeneration and jobs; and complementing the recommended spatial strategy priorities for retail, office and leisure provision, where the market brings forward such proposals.

- 3.29 The Black Country Core Strategy sets out the importance of Cultural Facilities and the Visitor Economy in Policy EMP6 and Policy CEN3 identifies Wolverhampton City Centre as a priority for cinema provision (informed by the Black Country Centres Study, GVA Grimley 2009). A modern multi-screen cinema to serve the City Centre would complement the existing small independent Lighthouse cinema.

### **Community Facilities**

- 3.30 The City Centre contains a wide variety of Community Facilities, varying from many Places of Worship, Wolverhampton Central Library, services provided by charities such as Age UK and Little Brothers of the Good Shepherd. A £6m Youth Zone is currently being built-out in the Westside Character Area. The city centre particularly lends itself to the provision of large-scale community facilities, due to its accessible location and being able to serve a wide catchment area. Smaller scale and day-to-day community uses (such as Doctors' Surgeries) are generally provided within the local communities, such as through the city's network of centres, stand-alone accessible facilities (such as Schools) and Wolverhampton City Council's 'Community Hubs' programme (which bring together a range of services in one location offering services such as library and information, community facilities and youth services). The Infrastructure and Deliverability Study paper relating to Social Infrastructure which informed the Core Strategy (Mott MacDonald, 2009) did not identify any specific deficiencies in community facilities that would need to be planned for to serve Wolverhampton City Centre, and we are not aware that this situation has altered. Therefore, it is not considered necessary for the AAP to allocate specific sites for future community uses, with future proposals being able to be considered on their own planning merits. UDP Policy C3 makes provision to protect the loss of community meeting places.

### **Education**

- 3.31 Wolverhampton University has recently confirmed the acquisition and refurbishment of the former Springfield Brewery site in the Canalside Quarter (site 4c). This project will help regenerate many of the sites identified within the Canalside Character area and, if proactively marketed, will encourage additional inward investment and regeneration across the City.

### **Place Marketing**

- 3.32 In order to compete more effectively with other centres and also to help improve the attractiveness and viability of proposed new developments, the Council and its partners should increase its promotion and marketing activities. This should not solely be restricted to the City Centre, but should cover other key attributes, such as aerospace and manufacturing, accessibility, a competitive workforce and cheaper accommodation in Wolverhampton.

- 3.33 Enhancing the setting, preserving the many historic buildings within the city centre and promoting local distinctiveness will also be essential components of place marketing.

### **Urban Design and Sustainability**

- 3.34 Another key message to emerge from the Soft Market Testing is the importance of design quality to protect and enhance investment values. This applies to both public spaces and private developments. In addition, buildings should be designed to minimise carbon emissions and also to be sufficiently flexible to respond to changing economic conditions and cycles.

### **Accessibility and Connectivity**

- 3.35 Soft Market Testing and research for this Site Assessment Report, has emphasised the critical importance of providing high quality, secure and accessible car parking to support regeneration and sustainability.
- 3.36 We understand that although the city centre has broadly sufficient car park capacity in terms of numbers, there are nonetheless major issues over quality, security and location. It is recommended that the Council should prepare a comprehensive parking strategy for off and on-site parking, (including consideration of park and ride and park and walk provision) with key stakeholders and operators such as NCP. More specifically, the Soft Market Testing exercise identified the need for a multi-storey car park at Westside (site 2a (III)). Furthermore, the Interchange (site 3a) is predicated on the enhancement and refurbishment of the existing multi-storey car park, with a planning application, for an additional 520 spaces to increase parking provision to over 900 spaces, recently submitted.
- 3.37 Finally, as confirmed by the Soft Market Testing, improved accessibility and connectivity are vital to encourage and thereafter sustain new forms of development. In particular, wherever appropriate, every opportunity should be taken to improve public transport and also connections across the City Centre ring road.
- 3.38 An appropriate mix of development to encourage city living and visitors is imperative.

### **Conclusion**

- 3.39 This exercise has demonstrated that a combination of an improving economic climate and recent high profile investments in Wolverhampton such as Jaguar Land Rover and Moog, as well as the City's own launch of its Investment Prospectus have resulted in an increasing number of developers and investors recognising the latent potential that exists in the City.

- 3.40 However despite a more positive economic outlook, development is complex and the strength of the property market across the different sectors in Wolverhampton is still at a level that viability concerns remain. Given this to be the case, there is a need to review the Character Areas on a spatial basis, prioritising actions, resources and key interventions, to deliver development to create further momentum. Such prioritisation and public sector intervention, will create the conditions for change, improving the prospects for the city, with enhanced property values, additional investment and the development of the least viable sites
- 3.41 Soft Market Testing also demonstrated that sustainable and deliverable development within the city centre, will be better achieved through an appropriate mix of complementary uses, notwithstanding that key locations such as Interchange (3a, 3b) and Westside (2a) are ‘tasked’ to deliver growth in key areas such as B1a offices and leisure respectively. A further example is the Canalside Quarter where following completion of Interchange, an opportunity will exist for affordable and sustainable city living with excellent access into Birmingham City centre and beyond.
- 3.42 Finally the need to create an attractive environment across the city centre with

## **4.0 Site Findings and Character Areas**

### **Introduction**

- 4.1 To maximise regeneration and jobs a clear spatial strategy should be adopted, that gives certainty to the market through setting out the priorities for the city centre and a clear steer on the type and scale of development that would be supported, but also is flexible enough to adapt to changing market conditions over the plan period to ensure future potential investment is not lost to the city centre. We recommend that the broad spatial approach should be to deliver/ facilitate a consolidated, enhanced and refurbished modern Shopping Core, supported and complemented by new Grade A offices focussed in the Interchange and leisure focussed at Westside, together with increased residential across the City Centre.
- 4.2 The recommended approach for the Character Areas is to encourage flexibility through mixed-use developments, with indicative land uses identified for sites within the Character Areas. For example, we recommend that the Shopping Core (1a) is prioritised for retail-led development, Westside (2a) a mix of uses including leisure, retail, residential and commercial.

4.3 The matrix included within Appendix Three sets out the key finding and preferred land uses, including floor areas and timescales for all the sites within the 11 Character Areas. An analysis of outputs and recommendations for each Character Area are set out below. Development outputs for each Character Area, include physical capacity in sq.m (which are to give an indication to the market of the total potential quantum of development that could be delivered) and development outputs for each relevant land-use in sq.m (which are to give an indication of the scale and type of uses that the spatial strategy could deliver over the plan period).

#### 4.4 **Shopping Core**

##### **Context**

4.4.1 This Character Area comprises the City's major retail core, including the Mander Shopping Centre within site 1a and a collection of linked sites within 1b. This area will continue to be the main focus for city centre shopping. The recent decision by Benson and Elliot to acquire the Mander Centre, together with the new Debenhams department store and refurbished shopping centre, provides a firm platform to strengthen the City's retail offer in the future.

##### **Development Opportunities**

4.4.2 Site 1a (Mander Centre) within this Character Area comprises the Mander Centre offering around 60,000sq m of retail space, which has planning permission to be reconfigured to include a new Debenhams anchor store and also extended by a 5,000sq m to further enhance its appeal for major multiples.

4.4.3 Sites 1b(i) – (iii) in Southside, comprise land in multiple ownerships and offers potential for new retail floorspace, independent shops, a mix of traditional and alternative leisure uses including a new casino plus residential and parking. Of great significance to the successful long term use of this area, is the need to enhance the environment and improved connectivity to the south into Blakenhall.

4.4.4 It is anticipated that following refurbishment of the Mander and Wulfrun Centres, the retail area will be further consolidated particularly along the Dudley and Victoria Streets, which are prioritised for renewal through enhancement and refurbishment works.

##### **Delivery Arrangements**

4.4.5 Redevelopment proposals for site 1a are being implemented by the new owners. On site 1b, complex land ownership issues and the impact of previous redevelopment proposals may need to be addressed by the Council, as a facilitator, before comprehensive regeneration can be taken forward. Successful regeneration of 1b will require a comprehensive approach to public realm improvements, connectivity to adjacent areas and parking.

#### 4.4.6 **Development Capacity and Outputs (sq metres Gross External Area)**

Physical Capacity around – 32,040				
Offices	Retail	Leisure	Other	Housing Units
590	18,550	4,800	8,100	120

#### 4.5 **Westside**

##### **Context**

4.5.1 Sites 2a (i) - (iii) (Westside 1-3) represent the largest mixed use development opportunity within the City Centre over the period of the AAP. Westside has the critical mass to be successfully redeveloped for a mix of uses and should be the preferred location for large scale commercial leisure uses, such as a cinema. The area is well connected and its prominent position adjacent to the ring road provides a vital link between the City Centre and the new Sainsburys Superstore.

##### **Development Opportunities**

4.5.2 Westside 2a (i) - (iii) comprise three major development opportunities, two of which were included within the Soft Market Testing, albeit that a number of developers emphasised the advantages of a comprehensive leisure-led mixed used development involving all sites – other uses identified for the sites include leisure-led retail, residential, a small proportion of office space, multi-storey car parking and enhanced public realm.

##### **Delivery Arrangements**

4.5.3 Redevelopment of Westside 2a is simplified by it being predominantly owned by the City Council with potential to link in with Southside and adjacent plots as part of a comprehensive development. One of the key issues is the future of the Council’s market which will need to be determined in due course – developer feed back regarded the market as a positive attribute for the city centre and is regarded as a medium term development site.

#### **Development Capacity and Outputs (sq metres Gross External Area)**

4.5.4

Physical Capacity around – 41.510 sq.m				
Offices	Retail	Leisure	Other	Housing Units
9,700	7,250	11,000	13,560	290

## 4.6 City Interchange and Commercial Gateway

### Context

4.6.1 This is an area identified for comprehensive regeneration, built around a multi-modal transport hub for Wolverhampton and the Black Country. It is also the preferred City Centre location for Grade A office space, with complementary retail and leisure uses.

### Development Opportunities

4.6.2 Interchange comprises five development opportunities, site 3a (Main Area), 3b (Blocks 9 & 10), site 3c (Piper’s Row) adjacent to the bus station. Site 3d (Banana Yard) and site 3e (Royal Mail). Sites 3a and site 3d should support the delivery of a new railway station, a Metro extension and terminus, a refurbished and extended multi-storey car park, and Grade A office space and leisure uses, including potentially a new hotel. Site 3e should support a scheme which is complimentary to the core Interchange area and the adjacent St David’s House, therefore offices, retail and leisure. Site 3b should be identified for Grade A office space, which includes the permission being implemented at Interchange 10 for office and ground floor retail. Site 3c (Piper’s Row) is a surface level car park with a lapsed hotel. Future uses for this site could include commercial and/or leisure.

### Delivery Arrangements

4.6.3 Delivery of sites 3a and 3d are complex regeneration projects involving a number of different partner organisations and separate landowners. There are further complexities around the processes involved with station change projects and sequencing that mean that this scheme is a medium term opportunity. 3e is identified as longer term opportunity but with potential to come forward in the medium term, depending upon demand and if it is delivered in tandem with 3a. Phase 1 at site 3b is now on site. This is being funded by the Council.

4.6.4 Site 3c offers longer term development potential particularly for uses associated with commercial and leisure.

### 4.6.5 Development Capacity and Outputs (sq metres Gross External Area)

Physical Capacity around 52,300				
Office	Retail	Leisure	Other	Housing Units
24,500	3400	9,400	14,000	39

4.7 **Canalside Quarter**

**Context**

4.7.1 Historical attempts to regenerate the Canalside Quarter had been frustrated by a Health & Safety Executive consultation zone associated with the storage of Liquefied Petroleum Gas Tanks. This facility has now been relocated but has restricted residential development opportunities in particular. Housing is regarded as the primary land use in the corridor over the short to medium term. The regeneration and investment potential of this area has also been increased by the recent announcement by the University of Wolverhampton to acquire the former Springfield Brewery site. This offers huge potential to provide the catalyst to drive forward further residential development along the canal corridor together with associated local retail.

**Development Opportunities**

4.7.2 The Canalside Quarter offers a mix of development opportunities off Stafford Street (sites 4a, 4b and 4f), on Grimstone Street / Culwell Street (4c, 4d, 4g and 4h), adjacent to the Low Level Station (site 4i) and finally in and around the southern canal basin at Corn Hill and Union Mill Street with access to Horseley Fields (4j, 4k, 4l, 4m and 4n).

**Delivery Arrangements**

4.7.3 Sites 4a, 4b and 4f are all in prominent positions with direct access to Stafford Street/ Stafford Road and therefore ideally situated for retail/commercial uses. Site 4a is privately owned by a number of interests, part of which is in a semi- derelict condition and will require site clearance. Site 4b is used for bulky goods provision, with a number of empty units. The owner of this site has secured a planning consent for a foodstore of around 7,800 sq.m. Site 4f provides a future opportunity over the medium to long term for a mixed use development of residential, retail and leisure/commercial. Sites 4d, 4h, 4l, 4g and 4m should be identified as potential housing sites in the medium term with site 4k being a longer term residential site. Site 4c will be regenerated by the University and finally site 4j is a commercial site for the longer term, but could come forward earlier subject to demand.

**Development Capacity and Outputs (sq metres Gross External Area)**

4.7.4

Physical Capacity around 49,960				
Offices	Retail	Leisure	Other	Housing Units
2,600	4,400	1,300	41,660	676

4.8 **Chapel Ash and West Park**

**Context**

4.8.1 The Chapel Ash and West Park Quarter is an important centre for specialist shopping, local services and recreation, dominated by private housing and situated between West Park and the recently opened Sainsbury’s Superstore. Development opportunities are limited to three development sites 5a (Former Eye Infirmary), 5b (Clifton House) and 5c (Raglan Street (St Marks)).

**Development Opportunities**

4.8.2 Site 5a is the former Eye Infirmary and has potential for a predominantly residential apartment scheme with associated ground floor retail. On the opposite side of Merridale Road is site 5b, the former car dealership, with planning consent for ground floor retail with residential above, and understood to being developed. Finally site 5c adjacent to Raglan Street is a potential residential development site.

**Delivery Arrangements**

4.8.3 All three sites should be identified as medium term residential-led mixed use developments. The actual timing of each scheme will depend upon the relative strength of the housing market in this part of the city, particularly site 5a which requires extensive refurbishment and possibly selective demolition.

**Development Capacity and Outputs (sq metres Gross External Area)**

4.8.4

Physical Capacity around 1,000				
Offices	Retail	Leisure	Other	Housing Units
0	1,000	0	0	112

4.9 **University Quarter**

**Context**

4.9.1 The University Quarter comprises a series of linked sites, adjacent to the Molineux Quarter and Stafford Road. Development opportunities are restricted to two sites, site 6a off Oxley Street and site 6b off North Road.

**Development Opportunities**

4.9.2 Site 6a (Oxley Street) has potential for a residential, education and retail development including student accommodation. Site 6b (North Road) is owned by the University and has potential for student or educational uses.

**Delivery Arrangements**

4.9.3 Site 6a (Oxley Street) comprises a number of separate interests which could be developed in isolation for residential/local retail/student accommodation. We consider that Site 6b (North Road) will almost certainly be utilised for educational uses in the long term.

**Development Capacity and Outputs (sq metres Gross External Area)**

4.9.4

Physical Capacity around 7,870				
Offices	Retail	Leisure	Other	Housing Units
0	370	0	7,500	74

4.10 **Molineux Quarter**

**Context**

4.10.1 The Molineux Quarter is well situated to the north of the City Centre and comprises the iconic Molineux stadium and the Asda Superstore.

**Development Opportunities**

4.10.2 Two development opportunities exist at sites 7a and 7b. These have the potential for a mix of uses, including offices, residential and leisure in the longer term.

**Delivery Arrangements**

4.10.3 Site 7a and 7b is owned by the football club and Council respectively and the timescale for redevelopment will be dictated by the owners intentions.

**Development Capacity and Outputs (sq metres Gross External Area)**

4.10.4

Physical Capacity around 9,100				
Offices	Retail	Leisure	Other	Housing Units
4,800	200	1,600	2,500	46

4.11 **St Peter’s Cultural Quarter**

**Context**

4.11.1 St Peter’s Cultural Quarter incorporates part of the historic core of the city together with cultural venues and complimentary uses including retail, residential, commercial uses and offices.

**Development Opportunities**

4.11.2 Four sites have been identified - St Peter’s car park (site 8a) is situated between the University and Civic Centre, offering scope over the longer term for office and/or education uses. Site 8b (Broad Street Car Park) is a longer term development opportunity and has potential for offices, leisure, education and retail. Site 8c (the Express and Star building) has been identified as a medium term opportunity, perhaps in association with site 3c (Pipers Row). Site 8d (Birch Street Car Parking) has been assessed as a long term site for B1a, possibly earlier depending upon demand and the objectives of the owner/occupier.

**Delivery Arrangements**

4.11.3 Both sites are owned by the City Council and the timescale for development will be determined by the Council in response to prevailing market conditions.

**Development Capacity and Outputs (sq metres Gross External Area)**

4.11.4

Physical Capacity around				
Offices	Retail	Leisure	Other	Housing Units
36,000	1,600	3,100	21,400	63

4.12 **St John’s and St George’s**

**Context**

4.12.1 This is a well located high profile, historic mixed-use quarter and the site of the now vacant former Sainsbury’s store and car park at St George’s Parade.

**Development Opportunities**

4.12.2 One major development opportunity exists within this historic quarter, site 9a the former Sainsbury store and adjoining car park. The redevelopment of this site is constrained by the lease structure with Sainsbury and also the listed church.

**Delivery Arrangements**

4.12.3 The redevelopment of this site may require Sainsbury’s to negotiate a surrender of their lease which we understand is in place up to March 2025, with an area sub-let to the City Council whom we understand are holding over. Sainsbury’s are currently seeking to let the vacant store, as a whole or in parts, but a redevelopment of the site seems unlikely until the current lease expires in the longer term.

**Development Capacity and Outputs (sq metres Gross External Area)**

4.12.4

Physical Capacity around 6,400 sq.m				
Offices	Retail	Leisure	Other	Housing Units
0	6,400	0	0	0

#### 4.13 **Graiseley & Blakenhall**

##### **Context**

- 4.13.1 Graiseley is situated to the south west of the ring road with good access to the city centre via Great Brickkiln Street. The area comprises a mixture of uses - industrial, residential, retail, places of worship and sui generis. The most significant recent development in the vicinity of this Character Area is the new Sainsbury Superstore in the Chapel Ash and West Park Character Area, which is likely to have a positive impact locally.
- 4.13.2 Blakenhall is an important historic and industrial location, close to the city centre including the listed former Sunbeam and Star Works. This Character Area is adjacent to the St John's Retail Park with its well known high street brands and comprises industrial estates, privately owned commercial property, surface level car parking, residential property, leisure facilities and the former St Lukes school, amongst other uses.

##### **Development Opportunities**

- 4.13.3 The main development opportunity in Graiseley is 10a the former Tower and Fort Works site for residential development in the short to medium term.
- 4.13.4 Seven sites have been identified in Blakenhall. Site 11a the former Sunbeam Works is in the process of being regenerated for predominantly private rented residential accommodation. Site 11b which is situated to the south of the Sunbeam Works and currently used for industrial space is considered as having scope for residential and commercial development over the long term, however the regeneration of the Sunbeam Works may enhance viability and its redevelopment over the medium term. Site 11e is a very well situated site, with scope for a range of uses including residential, commercial and retail in the medium term. Site 11f is currently being marketed for a commercial use, however it is considered to have potential for residential use in the medium term. Site 11g has planning consent for retail warehousing and is currently being marketed for this use, but would also be suitable for residential-led development. Site 11h is the former St Lukes School, which is owned by the Council and has been declared surplus. The Council is bringing this forward as a residential development in the medium term possibly in conjunction with part of site 11i, which is also considered as having scope for a proportion of residential redevelopment.

**Delivery Arrangements**

- 4.13.5 10a has been assembled and vacant possession can be given, as the former Council tenants have all vacated. The redevelopment of the site will require the marketing of the site and appointment of a development partner, however it is regarded as medium term opportunity
- 4.13.6 Site 11a is in the process of being delivered. Sites 11 b, 11e, 11f, 11g and 11i are all privately owned and the timescale for any redevelopment will depend upon the owners’ intentions and prevailing market conditions. Finally with regards to the St Lukes school site, the Council will be seeking to dispose of this site at the most opportune time, but this has not yet been determined.

**Development Capacity and Outputs (sq metres Gross External Area)**

4.13.7

Physical Capacity around				
Offices	Retail	Leisure	Others	Housing Units
2,400	6,800	0	3,200	440

4.14 **All Saints**

**Context**

- 4.14.1 All Saints is situated to the south west of the ring road with good access to the road network and Metro. This is a mixed use area, comprising a mix of terraced housing, retail, commercial and sui generis uses. There is also a new housing development being built out called Royal Gardens, which is situated to the south of the adjacent former listed Royal Hospital site and disused bus depot (sites 12ai and 12 aii).

**Development Opportunities**

- 4.14.2 There are two identified development opportunities which are owned by Tesco. Site 12ai comprises the disused bus depot which is suitable for a range of alternative uses in the medium term including residential, leisure and commercial site; 12aii is the former Royal Hospital site, which has planning consent for a food superstore-led scheme.

**Delivery Arrangements**

- 4.14.3 Tesco are currently remediating Site 12aii and it is understood that work will shortly commence on their new store with Site 12ai following on in the medium term.

**Development Capacity and Outputs (sq metres Gross External Area)**

4.14.4

Physical Capacity around				
Offices	Retail	Leisure	Other	Housing Units
1,470	11,560		360	101

## **Conclusion**

- 4.15 The study has identified a portfolio of development opportunities in the Character Areas, which have the potential for a wide range of uses and priorities that can deliver investment, regeneration and jobs to the City Centre. The Character Areas with the greatest potential to transform the City Centre as a whole and create economic regeneration are – Shopping Core, Westside, City Interchange and Commercial Gateway and the Canalside Quarter and we recommend that these areas are afforded the highest priority.

## **5.0 Constraints and Barriers to Delivery**

- 5.1 The previous sections have highlighted a range of site based constraints and barriers restricting site development including:

- Required Infrastructure and Public Transport improvements
- Car parking location, quality, security and capacity.
- Ring Road and existing road layouts, particularly connectivity and accessibility
- Physical environment improvements and reuse/redevelopment of, disused and redundant buildings/derelict sites
- Improving property market, given existing concerns over development viability
- Negative perceptions of Wolverhampton by investors and developers
- Availability of funding to support development and public realm improvements
- Competing and/or adjacent conflicting site/property uses
- Lack of clarity over land uses and design guidance.

## **6.0 Solutions and Opportunities**

- 6.1 We advise that the following interventions should be prioritised to deliver the spatial strategy of consolidating the Shopping Core and improving the retail offer, complemented by Grade A office-led development at the Interchange and leisure-led development at Westside, together with an increased resident population.

## **Interchange**

- 6.2 Completion of the Interchange will enhance the City's accessibility and environment. A new railway station may also increase the opportunity for Grade A office development in the City and will almost certainly improve first impressions that investors have of the City, with better connectivity improving the City's investment appeal as well as assisting the City's proposals to regenerate Heath Town to the west. The Council's recent decision to invest in Interchange 10 (Phase 1 site 3b) is a massive vote of confidence by the Local Authority in the City Centre and should be actively promoted within the property and investment markets.
- 6.3 The Interchange should be the primary focus for future Grade A office development within the City Centre and this has been borne out through the recent Soft Market Testing exercise.
- 6.4 A successful Interchange will help to "pump prime" the regeneration of many sites within the Canalside Quarter with its positive impact being felt across the central area of the City.
- 6.5 Pedestrian access over the Ring Road – improving and encouraging pedestrian access and footfall from outlying parts of the City such as Penn, will demonstrably improve the AAP area. Pedestrian access may be encouraged through changes to the Ring Road and we recommend that particular attention is paid to Ring Road St Johns in Blakenhall and also Ring Road St Peters in to the Molineux Quarter. The importance of the link between Sainsburys and the City Centre has already been recognised, but this improved link should be undertaken in conjunction with further complimentary improvements within the Westside area.

## **Deliver Environmental Enhancement**

- 6.6 Environmental improvements, will improve the quality of life for those living in the City and will encourage new investments – this is particularly the case within the Canalside Quarter, where comprehensive improvements along the Canal Quarter will significantly enhance the marketability of adjacent sites. We understand that environmental improvements will be addressed through the completion of a Design Compendium that will function alongside the AAP.
- 6.7 Tesco have we understand recently confirmed their desire to deliver a new store at 12a. If this occurs their scheme will provide considerable additional investment, creating jobs and improving one of the main approaches into the City Centre.

## **Education and Regeneration**

- 6.8 The recent University of Wolverhampton proposals for Springfield Brewery site 4c has the potential to transform adjacent sites within the Canalside Quarter, as well as enhancing land and property values. Positive changes within this Quarter could therefore occur over the short/medium term.

## **Car Parking**

- 6.9 Our research and the Soft Market Testing has highlighted the immediate need for the City to develop a comprehensive car parking strategy. Failure to do so will both undermine investment and delay delivery of key projects within the City core. Conversely if addressed, new car parking can create value, generate revenues for the City Council and improve the viability of new developments.

## **Marketing and Profile**

- 6.10 Dealing with preconceived ideas and re profiling of the City in a local, national and international context – the City Council’s Investment Prospectus has been well received by the business community, however this now needs to be pro actively promoted for maximum impact.

## **Funding and Key Interventions**

- 6.11 A number of development partners consulted as part of the Soft Market Testing exercise have indicated that new funding opportunities and models may help to facilitate regeneration of the City Centre. We recommend that these are explored in further detail.
- 6.12 Further consideration should be given to opportunity property purchases by the City Council, particularly in the Southside and Blakenhall areas.

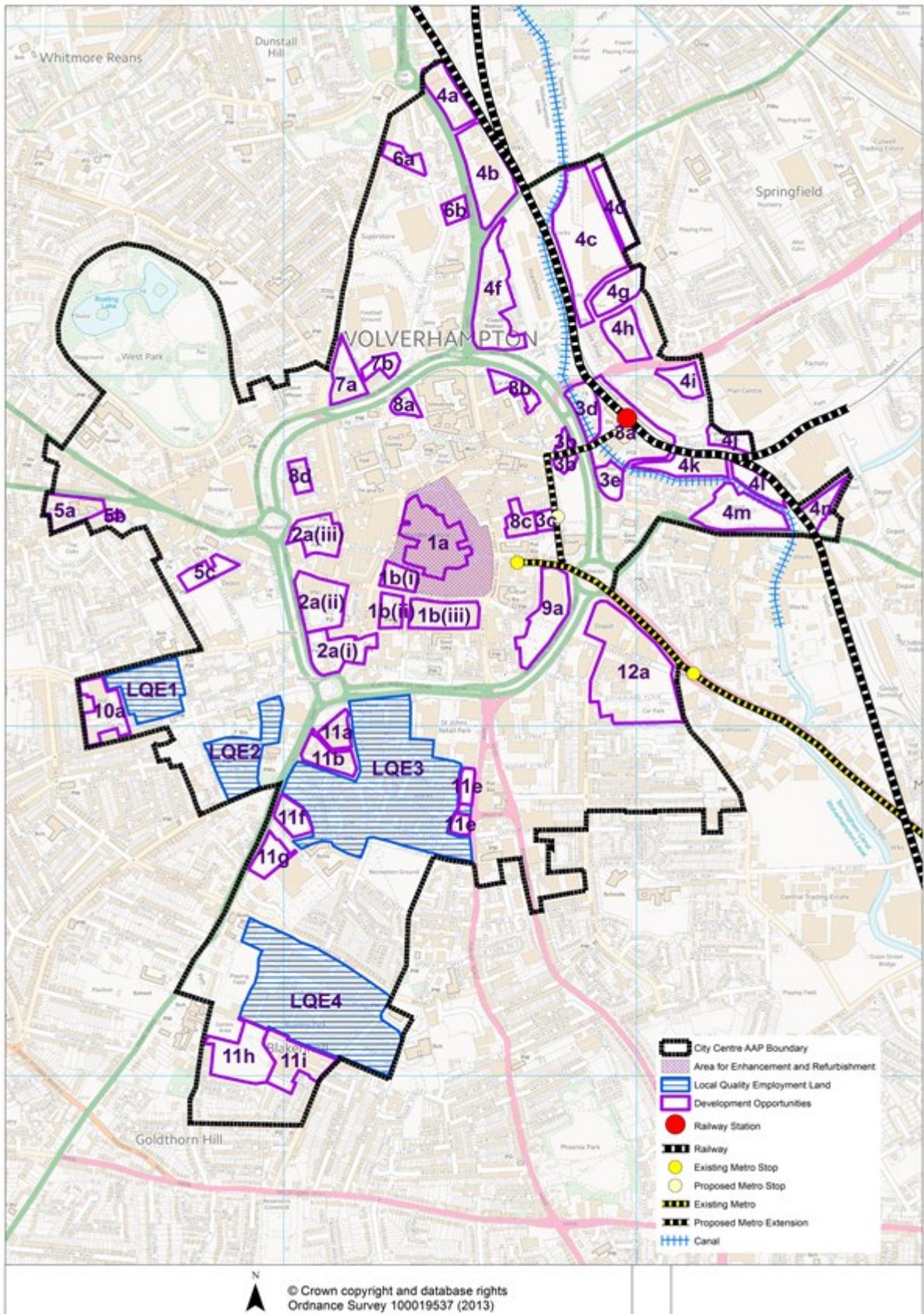
## 7.0 Conclusion

- 7.1 This report has identified a range of development opportunities across the character areas over the time frame of the AAP and represents the current assessment, given prevailing market conditions, but these can change quickly and therefore we recommend that this work is reviewed and updated on a regular basis.
- 7.2 In order to deliver the AAP the Council will also need to consider a series of measures to improve investor confidence including effective place marketing, commitment to design quality on the public realm and new developments and a comprehensive car parking strategy for the city centre.

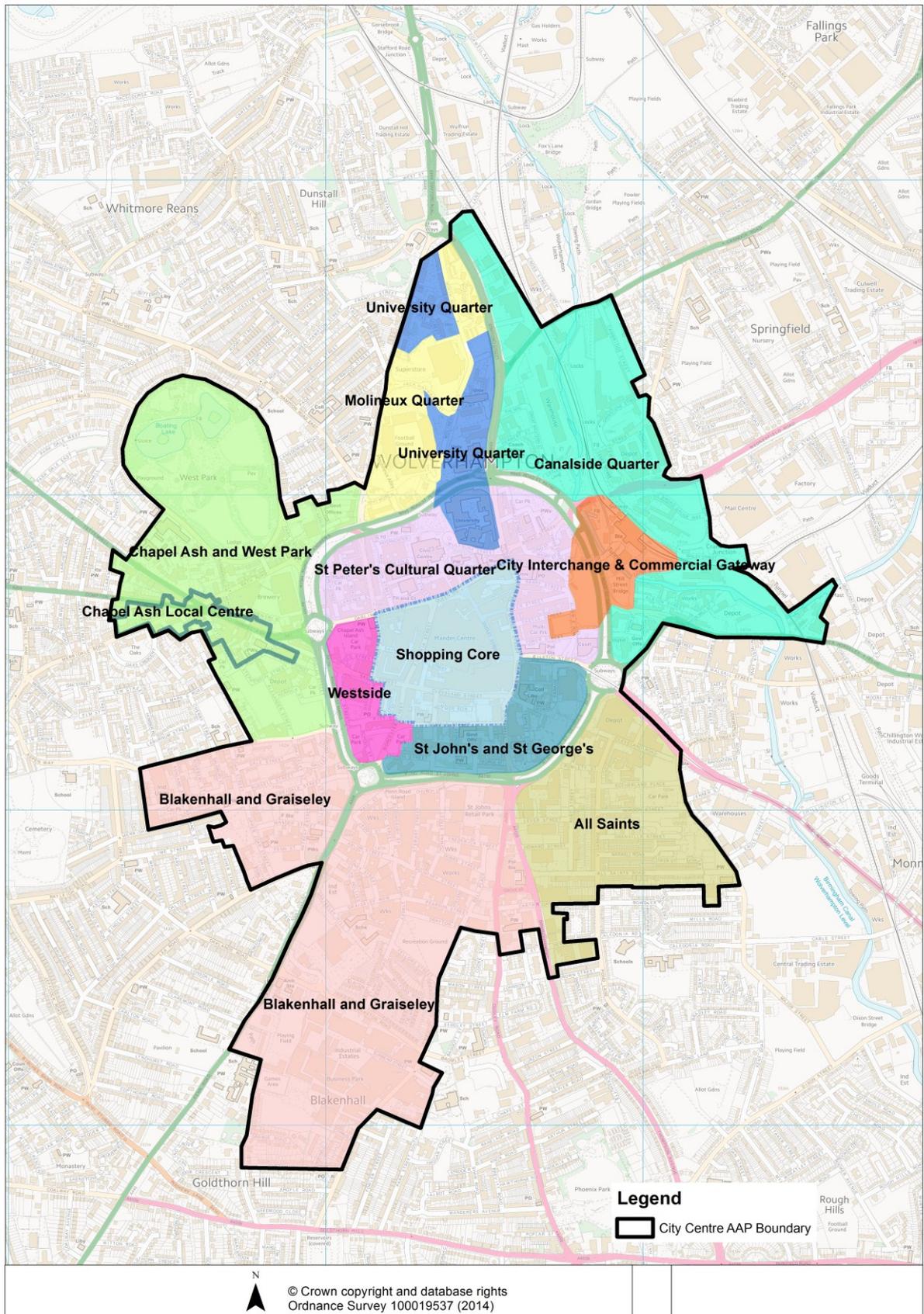


**For and on behalf of  
Bruton Knowles**

### Appendix 1 – Sites Plan



## Appendix 2 – Character Areas



**Appendix 3 – Matrix of Sites**

**(available as a separate document)**