



INVEST
City of Wolverhampton

ACCELERATED

SITES PROGRAMME



INTERCHANGE 8BROAD ST / BREWERS YARD / SACKWORKS / STEAM MILL

CITY OF
WOLVERHAMPTON
COUNCIL

 Department for
Levelling Up, Housing
& Communities

 Homes
England

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Interchange 8 office and hotel

Accelerated Sites Programme

Wolverhampton was identified in the Levelling Up White Paper as one of the priority places that government would proactively engage with, as it demonstrates strong local leadership and ambition, and it is a place where the impact of existing investment can be maximised to catalyse economic transformation.

It has been agreed that 'Our City: Our Plan' is the strategic framework for levelling up Wolverhampton – we have one plan for our place, which has been derived bottom up in partnership with communities. There is a clear interface with the levelling up missions, which are included as part of the performance management framework and reported to Cabinet and Scrutiny on a quarterly basis. The partnership approach between the City of Wolverhampton Council, Department for Levelling Up, Housing and Communities, Homes England and the West Midlands Combined Authority aims to reinvigorate the city centre, create a more diverse housing offer and mix of land uses, attracting new residents and businesses.

Our 'Accelerated Sites Programme' highlights opportunities to accelerate delivery through early funding intervention and addressing market failures preventing these projects from otherwise coming forward. The programme responds to a key set of criteria that brings confidence around accelerated delivery. These are as follows:

- ✓ Sites referenced are in the ownership of the City Council or that of our strategic delivery partners.
- ✓ Clear 'line of sight' on procurement and delivery mechanisms – delivery partners either already procured, operating under the auspices of existing agreements, or engaged under agreed commercial terms that can be accelerated.
- ✓ Compatibility with existing planning framework (Local Plans and AAPs) – advanced planning position either through gaining consent or through ongoing pre-application discussions.
- ✓ Detailed scheme proposals supported by development appraisals and gap analysis, verified by 3rd parties and with full check and challenge of information / costs provided.

The sites and schemes identified offer for part of the wider Interchange Commercial District linking into the city's Canalside Quarter which is primed for major residential expansion. This creates a proposition of scale and serves to reinforce previous public investment in bringing forward a new transport hub, commercial offering, state-of-the-art educational facilities and sites primed for residential expansion.

As part of the wider Interchange Commercial District, the delivery of **Interchange 8** alongside a **new high-quality hotel offer** will build upon the existing programme of investment that has seen the delivery of a world-class transport interchange



Interchange 8 office reception

and new exemplar commercial office space in this part of the city centre. Proximity to a principal railway station on the West Coast Main Line providing regular services to regional and national destinations creates the pre-conditions for another successful phase of the commercial district capturing demand for exemplar commercial space and provision of high-quality jobs. Combined with existing projects now in delivery and the adjoining opportunities within the canalside area and Green Innovation Corridor, Broad Street forms part of an opportunity transformational scale.

The **Steam Mill** and **Sackworks / Mill St Depot** sites offer a unique opportunity to introduce a landmark development on key gateway sites that will significantly enhance the approach to Wolverhampton by introducing a new high-quality residential and workspace offer as part of the Interchange Commercial District. The sites are in the strategic control of the Interchange partners and have been substantially de-risked to enable a development ready site with an existing development agreement in place. As well as forming an important strategic position on the approach to the train station, these sites also link to the wider Canalside Quarter and will support strategic connectivity as part of a wider collection of sites primed to deliver transformational change of scale in this part of the city.



Steam Mill

“The government will support undertaking ambitious, King’s Cross-style regeneration projects, transforming derelict urban sites into beautiful communities.”

Levelling Up White Paper

Brewers Yard will be a new creative, commercial and living focused district that seeks to provide Wolverhampton a new destination urban node adjacent to its recent redevelopment works for University of Wolverhampton and the central railway station.

These sites offer a strategic opportunity to link areas of major investment, both historic and planned, to bring a holistic delivery strategy to deliver a whole new quarter for Wolverhampton city centre. Combined with existing projects now in delivery and the adjoining opportunities within the Canalside area and Green Innovation Corridor this forms part of an opportunity of transformational scale.

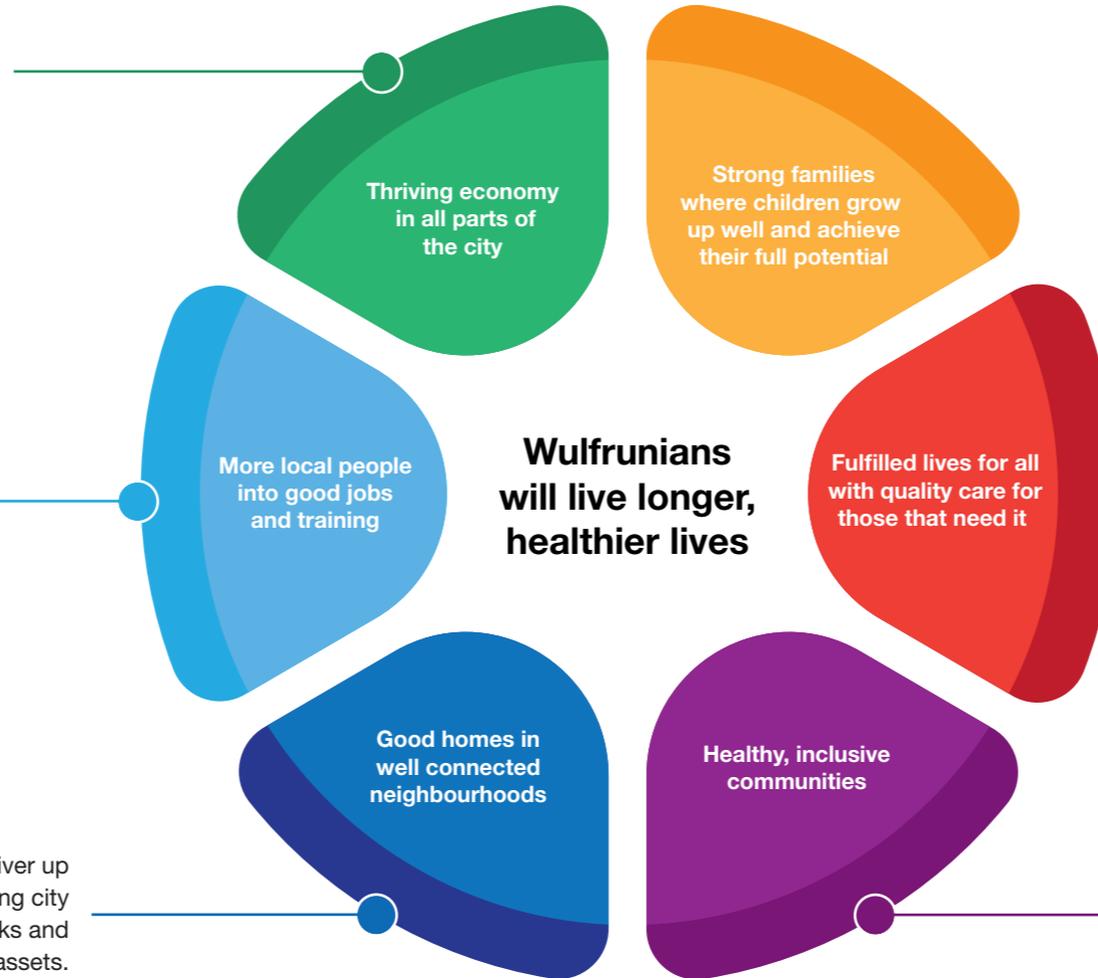


Brewers Yard

Our Strategic Framework for Levelling Up

Our City: Our Plan is our strategic framework for levelling up, co-produced with over 4,500 local people and stakeholders. We have one plan for our 'place', derived bottom up and collectively owned with clear interface with Levelling Up missions.

Development of sites within the Accelerated Sites Programme will represent significant investment in Wolverhampton's economy. Combined, these sites are anticipated to deliver a lifetime GVA of 1.57bn and enable the remediation of 5.03 ha of key brownfield land.



Our Accelerated Sites Programme will create an estimated 1,008 new jobs across both the supply chain and end uses. Opportunities around social value, apprenticeships and training will underpin the delivery ethos for the projects.

Our Accelerated Sites Programme will deliver up to 1,093 new residential units supporting city centre residential offers with high quality links and public realm to connect to neighbouring assets.

Delivery of employment space in well connected parts of the city enabled equality of access and supports high-quality job opportunities to local people. Delivery of high-quality homes and employment space in well connected parts of the city enables equality of access, promotes sustainable.

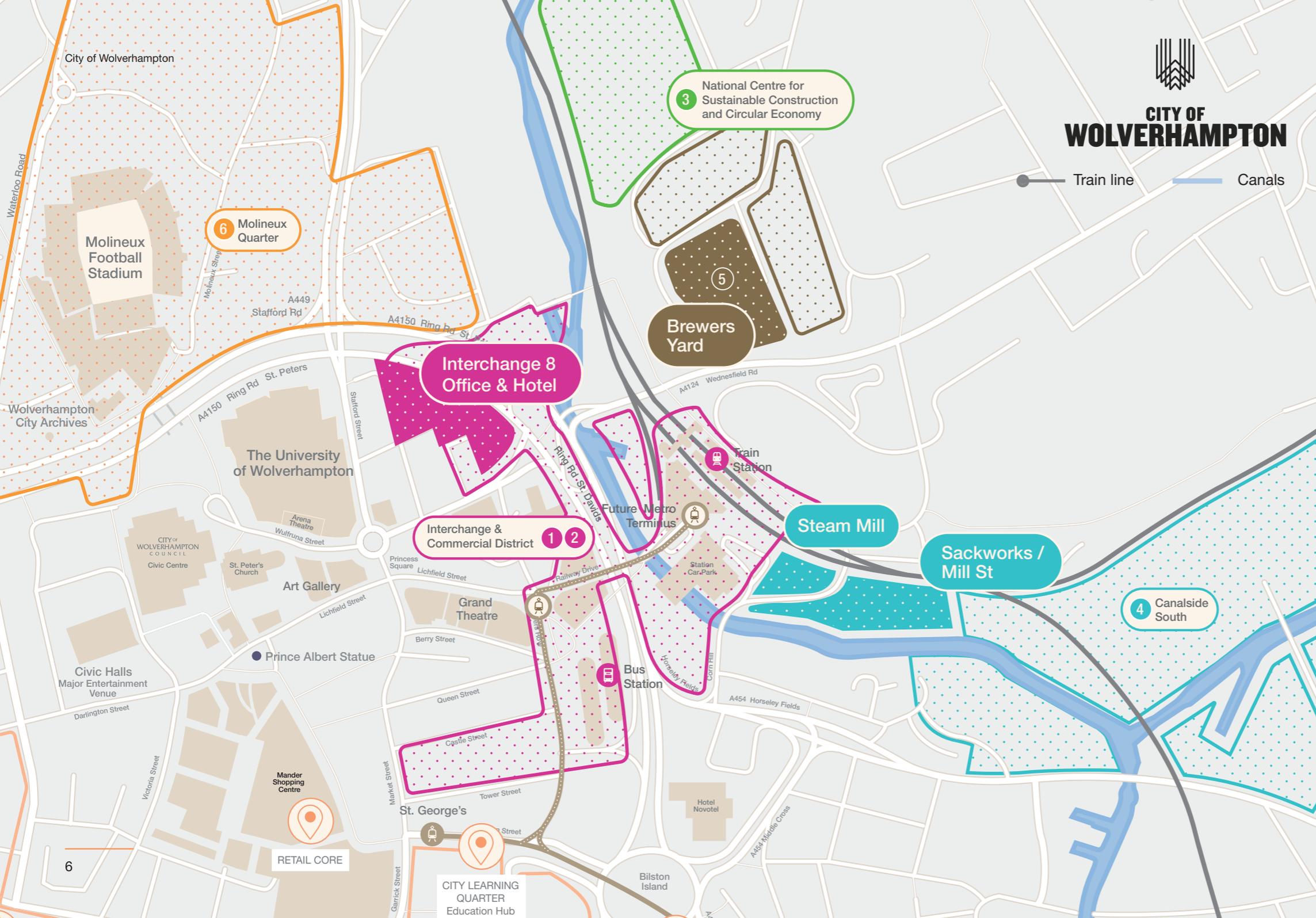
PRINCIPLES:

- DRIVEN BY DIGITAL
- CLIMATE CONSCIOUS
- FAIR AND EQUAL



CITY OF WOLVERHAMPTON

Train line Canals



Supporting Transformational Change

The four sites identified as the Accelerated Sites Programme offer a strategic opportunity to link areas identified within the city's existing policy and regeneration framework to deliver transformational change. This will build upon and connect areas of major investment, both historic and planned, to deliver a whole new quarter for Wolverhampton city centre delivering sustainable mixed-use development around excellent transport connectivity and availability of strategic sites.

In this context, the Accelerated Sites Programme reinforces existing public spend programmes at **(1) Interchange** where £85 million has been spent in delivering a new world-class transport hub for the city gateway, **(2) Commercial district** where over £50 million has been invested in delivering new commercial floorspace and **(3) Springfield Campus (National Centre for Sustainable Construction and Circular Economy)**, where £120 million has been invested in transforming a derelict area of the city to deliver the world's largest construction education campus developing the skills and knowledge base for the future of sustainable construction.

The accelerated sites also connect major regeneration areas across the Canalside Quarter where there are commitments to deliver over 2,000 new homes across all phases of **(4) Canalside South** and **(5) Brewers Yard** as well as the **(6) Molineux Quarter** which will see the Council work in partnership with the Football Club, University, key stakeholders and partners to bring forward a long-term vision for transformational change aligned to the football club as a key leisure destination.

Development Viability

	Brewers Yard	Interchange 8 - Office	Interchange 8 - Hotel	Steam Mill	Sackworks	Accelerated Sites Total
Development Costs	£m	£m	£m	£m	£m	£m
Acquisition costs*	1.71	1.81	0.66	0.40	1.34	5.92
Construction costs	86.04	24.23	15.65	18.69	18.50	163.11
Professional fees	4.16	1.94	1.25	1.31	1.29	9.95
Overheads		2.67	1.08	1.95	0.33	6.03
Finance costs	17.21	0.67	0.29	0.46	0.34	18.97
Profit	6.50	4.54	1.91	3.43	2.99	19.37
Total Costs ^A	115.62m	35.85m	20.83m	26.23m	24.79m	223.32m
Development Values	£m	£m	£m	£m	£m	£m
Value	104.32	26.73	13.03	19.53	17.09	180.7
Total Value ^B	104.32m	26.73m	13.03m	19.53m	17.09m	180.7m
Viability Gap ^{Value - Cost} ^{B - A}	-£11.31m	-£9.12m	-£7.80m	-£6.70m	-£7.70m	-£42.62m
	(AY)	(CBRE) (LSH)	(CBRE)	(LSH)	(LSH)	

AVISON YOUNG (AY) Avison Young is a global commercial real estate services firm and are the appointed advisors for the Homes England delivery strategy commission for Wolverhampton and are also appointed by the City of Wolverhampton Council on the Brewers Yard land transaction.

CBRE Hotels (CBRE) have been appointed as independent specialist consultants in the hotel sector. The work provide to CWC has reviewed the market, supply existing provision and key / room rates for the Wolverhampton market. CBRE are one of the leading hospitality specialists with links to developers, brands and operators in the hotel sector.

Lambert Smith Hampton

(LSH) Lambert Smith Hampton is a leading UK commercial and residential real estate consultancy and agency. They are instructed by the West Midlands Combined Authority to undertake valuation and viability assessments to grant applications and award. They also undertake all planning viability valuation assessments for Birmingham City Council as one of the largest local authorities in Europe. They have independently reviewed the schemes and verified the desk-top appraisals in support of this document.

* Acquisition costs include land transaction values (plus associated fees) based upon current market comparables and are subject to commercial negotiations.



Proposed outcomes / benefits

Accelerated Sites

<p>Remediation of brownfield land</p>  <p>5.03ha</p>	<p>Benefit Cost Ratio</p> <p>2.2:1</p>	<p>Delivery of a 153-key hotel</p> 	<p>New homes</p>  <p>1,093</p>	<p>Estimated Jobs</p>  <p>1,008</p>
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<p>Annual GVA (Estimated)</p>   <p>£67.5m</p>	<p>GVA over 25 years (Estimated)</p>   <p>£1,722m</p>	<p>GDV (subject to valuation/appraisals) (Estimated)</p>  <p>£181m</p>	<p>New commercial floorspace</p>  <p>16,178m²</p>
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Estimated Viability Gap
(assumed over min. period of 3 years)



£42.62m

Net Carbon development
Green technology



Viability Rationale
Value gap between projects Grade A office rents and delivery costs at comparable i9 standard.

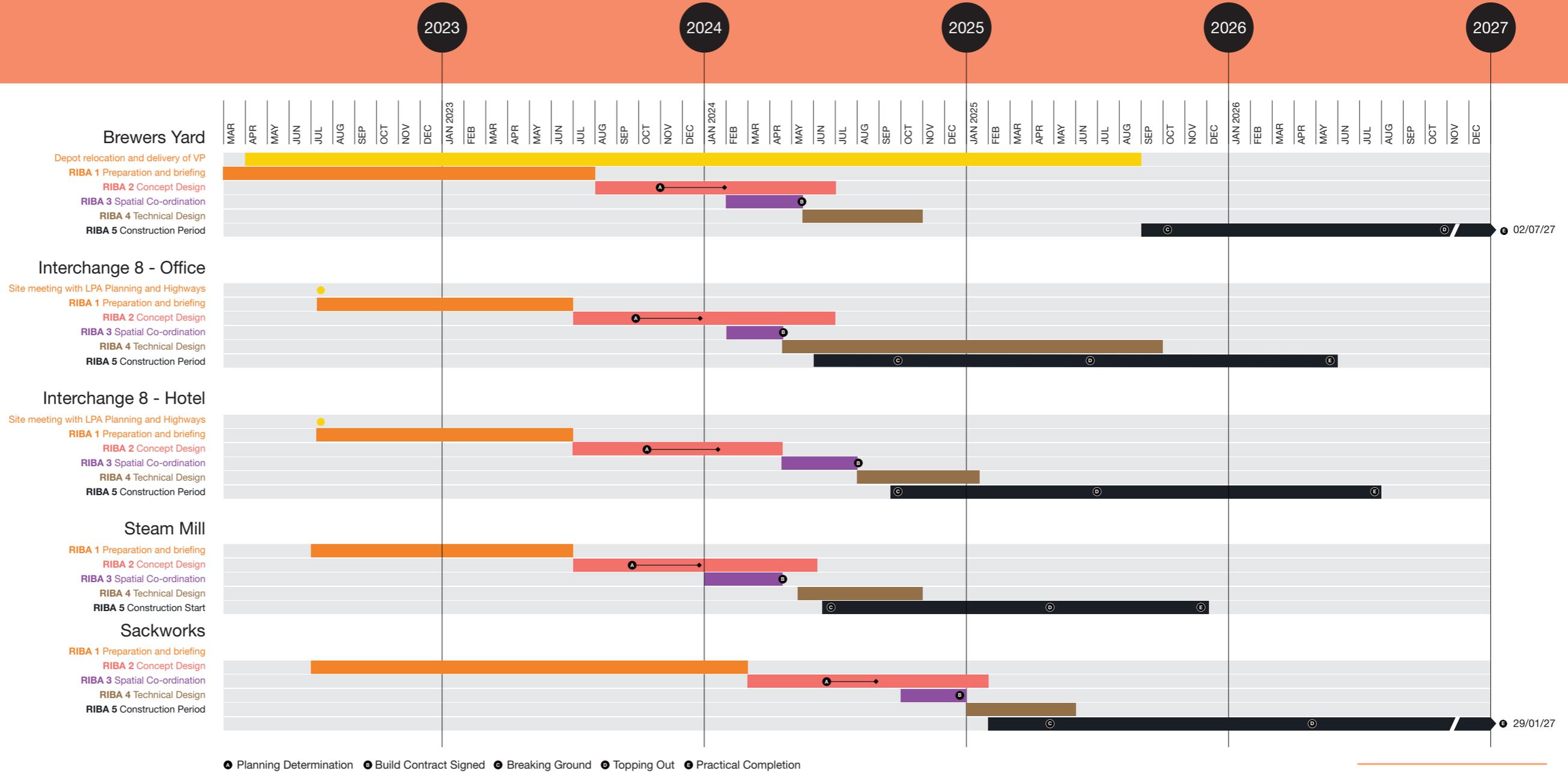


'Ask' Overview
Viability based upon financial gap and supply absorption risk of office sector



Project Timelines

(Subject to business case approval)



● Planning Determination
 ● Build Contract Signed
 ● Breaking Ground
 ● Topping Out
 ● Practical Completion

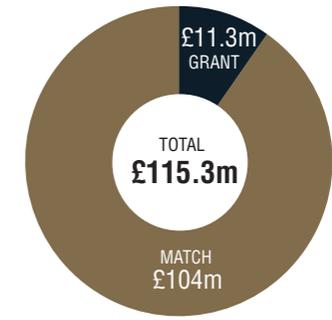
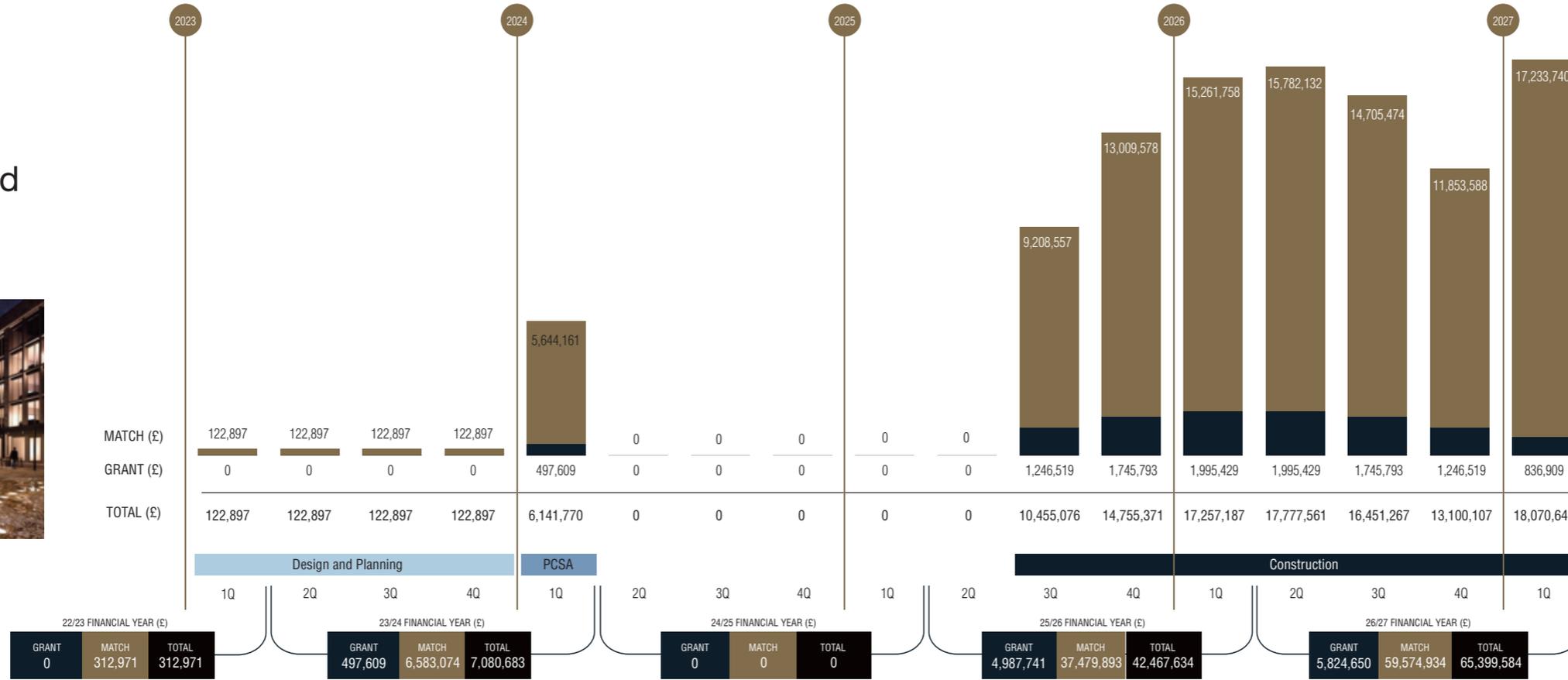
Grant Drawdown

(Subject to finalised appraisals)



ACCELERATED SITE

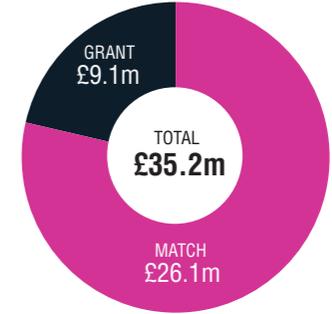
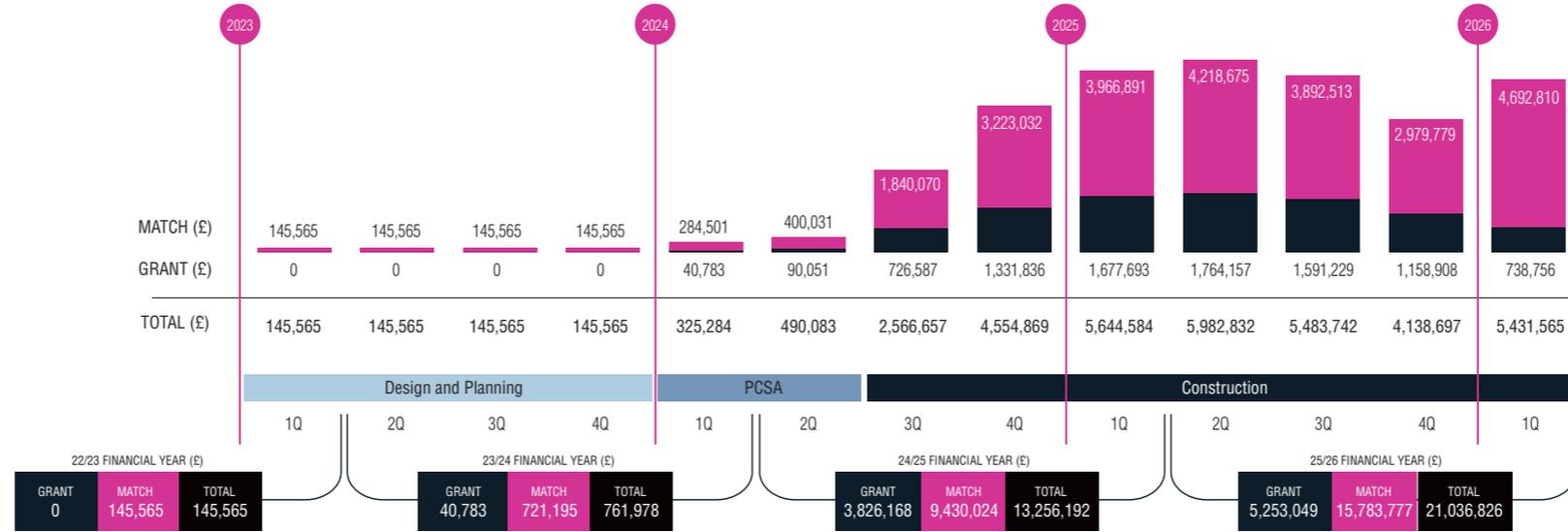
BREWERS YARD





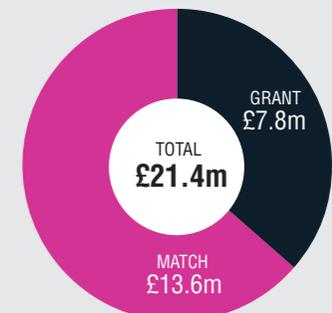
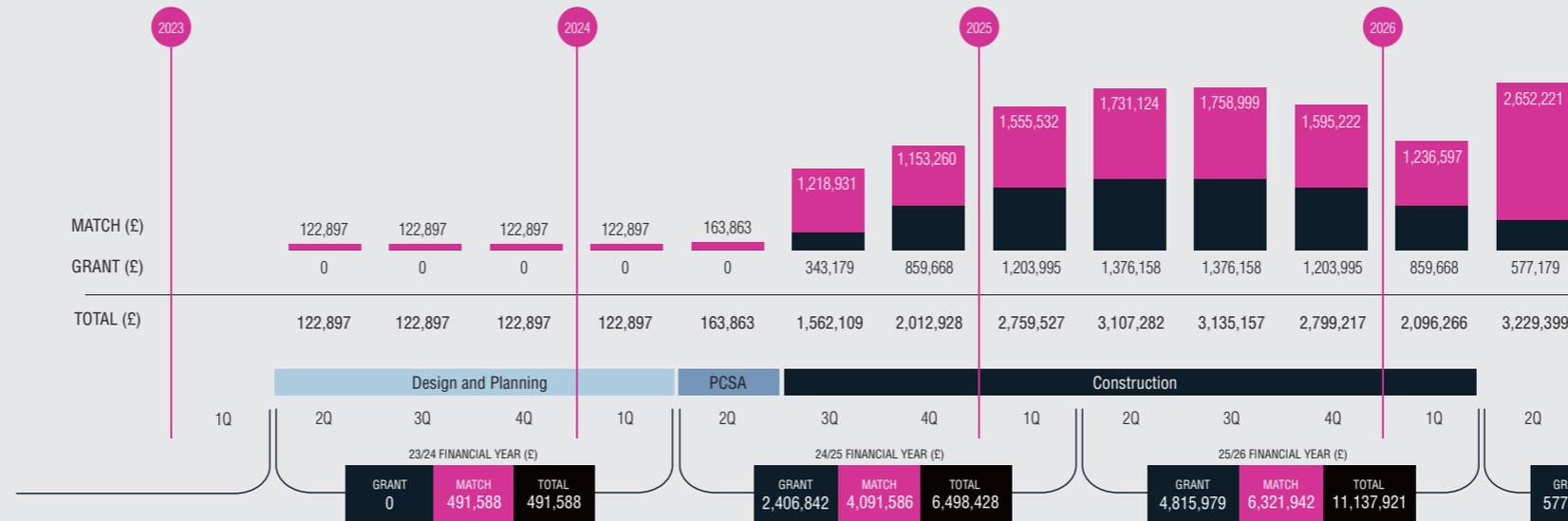
ACCELERATED SITE

INTERCHANGE 8 - OFFICE



ACCELERATED SITE

INTERCHANGE 8 - HOTEL

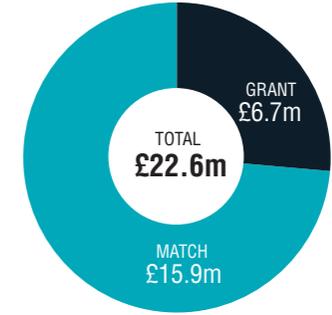
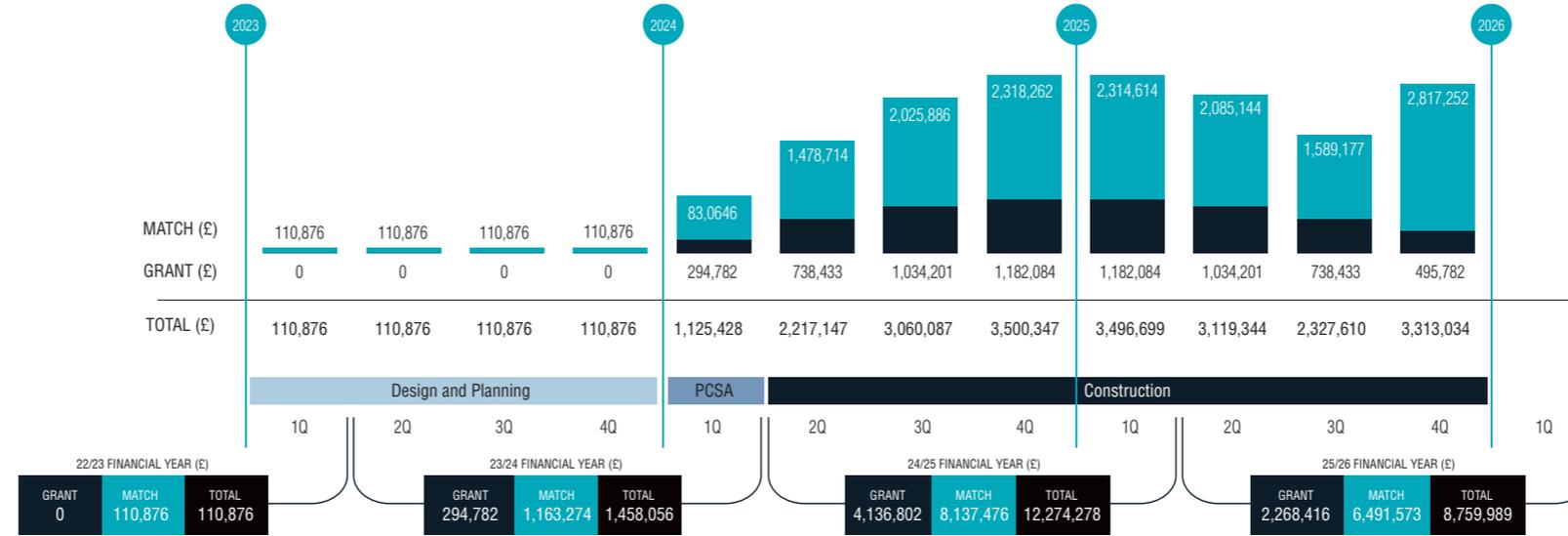


Grant Drawdown



ACCELERATED SITE

STEAM MILL



ACCELERATED SITE

SACKWORKS

