

Property Market
Report

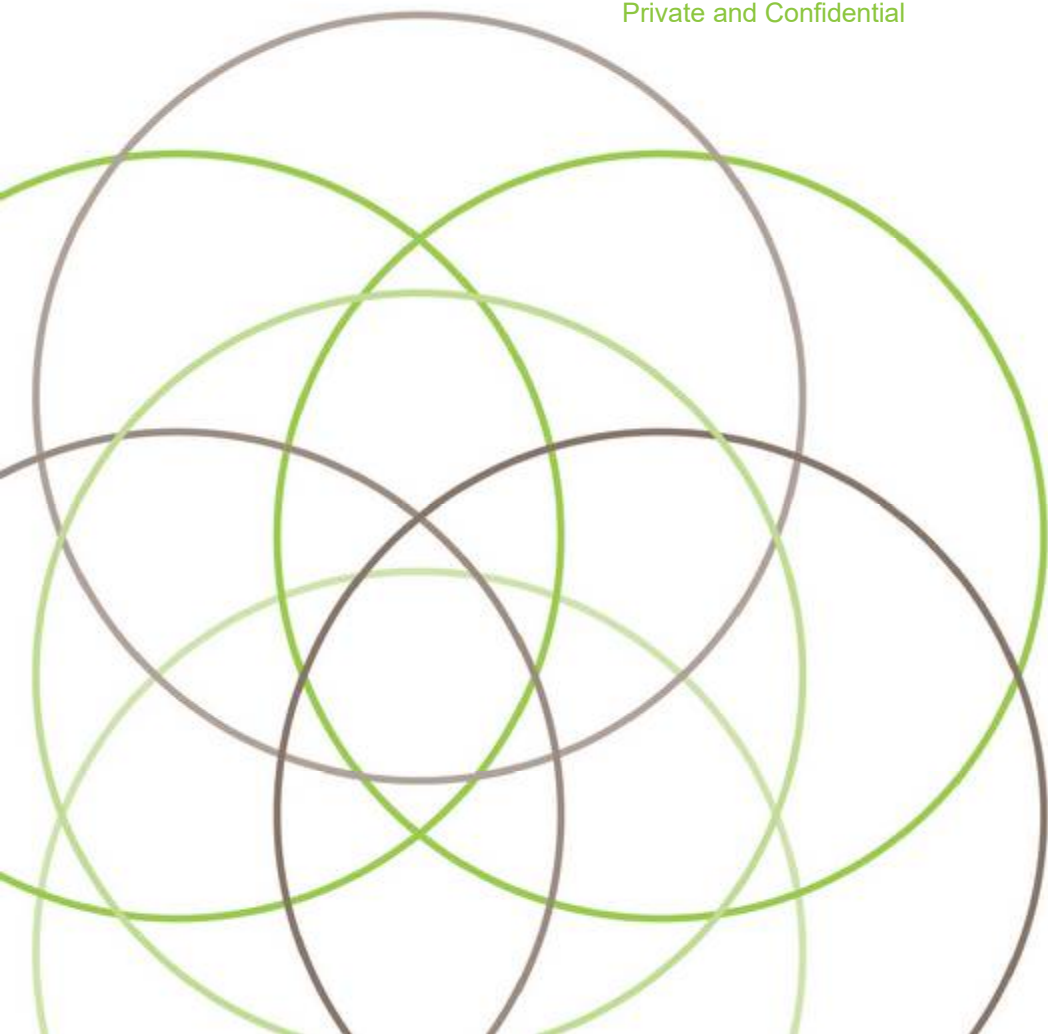
Bircherley Green Site,
Hertford Town Centre

East Herts District Council



October 2019

Private and Confidential



Quality Assurance

Date

October 2019

Version

Final

Filename and path

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Hertford_Tibbalds_EHDC_Reports\190815 Bircherley Green, Hertford_Property
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1 Introduction

- 1.1 AspinallVerdi have been appointed by East Herts District Council (as sub-consultants to Tibbalds Planning & Urban Design) to undertake property market analysis in respect of the proposed redevelopment of Bircherley Green Shopping Centre in Hertford Town Centre.
- 1.2 In 2015, AspinallVerdi were commissioned to undertake market analysis and viability assessments as part of a wider urban design strategy for three designated sites in Hertford town centre, one of which being the Bircherley Green Shopping Centre. The site has since been subject to a large mixed-use planning application which was granted consent in early 2018. The consented scheme included over 4,000 sqm of retail space, an 86-bed hotel, 70no. residential flats and associated car parking.
- 1.3 The Applicant, Diageo Pension Trust LTD, began clearing works and demolition in August 2018 however later withdrew from the site in June 2019, stating that they no longer intended to build out the permitted scheme. In July 2019, it was announced that Diageo Pension Trust LTD had sold the site to locally-based developer, Chase New Homes LTD. The new owner has been consulting with the Council but has not yet submitted a new planning application
- 1.4 At the time of our assessment, the site remains vacant and boarded-off to prevent public access. There is increasing urgency from the local populous and political parties for the site to return to active use.
- 1.5 The purpose of this report is to provide an updated review of the commercial and residential markets in Hertford to assist in determining the suitability of any future proposals. This includes a review of the most appropriate and sustainable commercial uses, as well as the types and sizes of residential accommodation which could be delivered as part of future redevelopment plans. Through this research we will also form opinions on the sales values, rents and yields achievable by commercial and residential development in this location.
- 1.6 Following this report, and once prospective development options have been considered, we will use the market knowledge to test the viability of the site. We will use the cost and value inputs derived through this process to appraise the prospective development proposals, allowing us to provide a commercially robust understanding of the financial dynamics of the potential development options.

AVL Previous Assessment (2015)

- 1.7 AspinallVerdi previously undertook property market research and viability assessments in respect of the Bircherley Green site in 2015. This was prior to the submission of the aforementioned planning application by the former owners, Diageo Pension Trust.
- 1.8 Our commercial market assessment identified an opportunity for a new hotel in the town centre to support local tourism and help support the evening economy. Further, with the awareness of Waitrose's ambitions to relocate away from Bircherley Green, our assessment revealed there to be potential for a large, higher-value foodstore operator in the town centre.
- 1.9 We also identified there to be potential for a leisure-led scheme, anchored by a cinema operator and complimented by surrounding food and beverage offerings. It was anticipated this would also strengthen Hertford's evening economy.
- 1.10 Our residential market assessment revealed there to be demand for flatted accommodation and townhouses in the town centre. Hertford's demographic also suggested there was potential for a retirement / care home operator to occupy space in the town centre.
- 1.11 From our analysis, we formed three potential development options in order to test the viability. These were as follows:
- Option 1: Foodstore
 - Option 2: Cinema
 - Option 3: Refurbishment
- 1.12 All three options generated a positive residual land value, with Option 1 (Foodstore) generating the highest return.
- 1.13 This report will follow a similar structure to our previous assessment, providing an assessment of the commercial and residential property markets of Hertford to inform prospective development options.

Report Structure

- 1.14 We begin by providing a background and contextual overview of the site and its relevant planning history. This ensures that the market analysis is informed by the notable events which have passed since the time of our last assessment.
- 1.15 Chapter 3 then considers the market for commercial property. We provide a summary of each commercial sector before reviewing the rents, yields, supply and demand characteristics specific to Hertford Town Centre. We have also undertaken consultations with commercial agents and prospective occupiers to ascertain whether there are any

existing or future requirements which could be delivered at the Bircherley Green site, and to gain their insight into the site's commercial prospects. This will help determine the most viable uses the site can accommodate.

- 1.16 In Chapter 4 of this report, we study the market for residential property. We review achieved sales values and asking prices for residential property in the surrounding area. This provides us with an understanding of the values different housing typologies could achieve in the town centre. We have also undertaken consultations with locally-based agents to determine the level and nature of demand for different residential typologies in Hertford town centre.
- 1.17 As part of our residential market review, and on the basis of the conclusions drawn from our 2015 report, we have considered the market for retirement accommodation in Hertford. We have again reviewed asking prices and achieved values before consulting a range of operators to determine the suitability and demand for retirement accommodation in this particular location.
- 1.18 We conclude by summarising our analysis and providing recommendations of which uses are likely to be viable and deliverable as part of the site's redevelopment. This knowledge will be used to help inform the uses proposed as part of any future redevelopment. Our conclusions will also inform the value and cost input assumptions when we later test the viability of the elected options.

Limitations

- 1.19 We have approached a range of operators and agents as part of our research to gain an insight into local demand characteristics and the prospects for both commercial and residential uses in this location. These consultations have been undertaken on a strictly confidential basis, and their views and opinions have been shared on this understanding. Accordingly, the comments and observations cited in this report should be treated as being commercially sensitive and must not be used for any other purpose(s) outside the scope of works contained within this report.

2 Background & Context

- 2.1 Hertford is the county town of Hertfordshire, located approximately 20 miles north of London and 6-miles east of Welwyn Garden City. It is located immediately west of the A10 and east of Junction 4 of the A1(M). Hertford also benefits from two railway stations; Hertford North Station provides access to London Moorgate in around 50 minutes, and Hertford East which runs services to Liverpool Street within a similar timeframe.
- 2.2 The Bircherley Green site is located in the heart of the town centre, approximately a quarter of a mile south-west of Hertford East train station and directly south of the River Lea. This is shown in Figure 2-1 below.

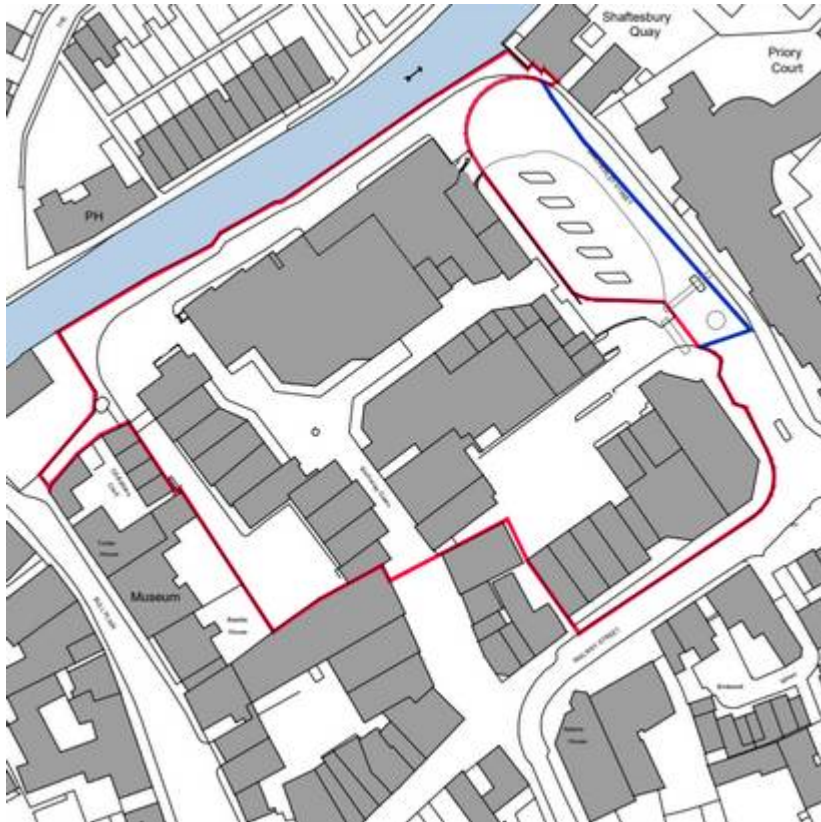
Figure 2-1 – Bircherley Green Site Location



Source: Google MyMaps, 2019.

- 2.3 The site extends to 1.02 hectares (2.52 acres) and is predominantly occupied by the former Bircherley Green Shopping Centre; a purpose-built, 1980's retail development. The site boundary is shown in Figure 2-2 overleaf.

Figure 2-2 – Bircherley Green Site Boundary



Source: Corstorphine & Wright Architects, 2016.

- 2.4 Until 2017, the site was in active use and occupied by a variety of local and national retailers. Waitrose were the anchor tenant with over 2,300 sqm of space, however in September 2017 they closed the Hertford store. There were also some sporadic office uses integrated amongst the retail units, which were a mix of comparison & convenience operators.
- 2.5 The remainder of the site is comprised of a multi-storey car park and a bus station. The bus station, which runs parallel to the north-eastern boundary, is the only part of the site which remains in operation. The multi-storey car park and retail units are all vacant, and the site's entrances have been boarded to prevent public access.
- 2.6 In February 2017, a planning application (REF: 3/17/0392/FUL) was submitted by Diageo Pension Trust LTD in respect of the site which proposed the following:

Mixed-use redevelopment, including partial demolition of existing buildings, to provide up to 4,694 sqm retail floorspace (Use Classes A1 to A5), an 86-bed hotel (Use Class C1), 70 residential flats (Use Class C3), Refurbishment of existing car park to provide 143 pay and display, 40 residential, 5 car club (total of 188) parking spaces, enhancement of bus station facilities, new public realm and landscaping to riverside, and associated works and improvements.

- 2.7 The proposed scheme was separated into two phases; the first concerned the development of the hotel in the south-east corner of the site, and the second phase involved the proposed commercial units, flats and other ancillary uses. In January 2018, the scheme was granted consent subject to several planning conditions. The Applicant subsequently proceeded with site clearing and demolition works in August 2018.
- 2.8 Diageo Pension Trust LTD then submitted a revised application in November 2018 (REF: 3/18/2210/FUL) which sought approval for revisions to the second phase of development ('Building B'). This involved the addition of 1,471 sqm of office space by reducing the amount of residential and retail space originally proposed in the consented scheme:
- Mixed-use redevelopment, including partial demolition of existing buildings, to provide up to 4,602.5 sqm retail floorspace (Use Classes A1 to A5), an 86-bed hotel (Use Class C1), 56 residential flats (Use Class C3), 1,471 sqm office floorspace (Use Class B1a), alterations and refurbishment to an existing car park to provide 143 pay and display, 14 office, 26 residential and 5 car club (total of 188) parking spaces, enhancement of bus station facilities, new public realm and landscaping to riverside, and associated works and improvements - Amendment to Planning Permission Ref 3/17/0392/FUL approved on 5th January 2018 (Revisions to Building B).*
- 2.9 Although a report to the Council's Development Management Committee had been published with a recommendation of approval, the Applicant withdrew the revised application on 10 June 2019.
- 2.10 On 28 June 2019, the Applicant withdrew from operations at the site and confirmed they no longer held intentions of building out the consented scheme. A month later, it was announced that Diageo Pension Trust LTD had sold the site to locally-based developer, Chase New Homes LTD. The new owners have since undertaken initial consultations with the Council, however at the time of our assessment no further applications have been submitted in respect of the site.

3 Commercial Market Analysis

- 3.1 In this section, we review the commercial market in Hertford. This has been carried out to gain an understanding of the uses which could be delivered at the Bircherley Green site. We have analysed the supply and demand of the commercial market sectors, helping to establish the opportunities there may be for redevelopment of the site. We also provide an insight into the rents, yields and sales values which could be achieved by commercial development in this location. Going forward, this research will be used to assess the viability of prospective development options.
- 3.2 In the following sections we break the commercial market down into sectors, dealing with each in turn. We initially provide an overview of each market by highlighting relevant trends for each sector. Where available, we then look at the availability of stock and recent transactions in the Hertford market. As well as providing an understanding of the type, size and quality of units in Hertford, this analysis also looks at achieved rents and the level at which available space is currently being marketed.
- 3.3 We then provide commentary on demand for each type of use, drawing upon any relevant information gathered from consultation with potential occupiers and agents. We have approached a range of prospective operators who may have a requirement for the town centre and this site in particular. This provides an understanding of the level of demand, as well as an insight into typical unit requirements they may have for such a site (floorspace, rents and terms etc.). Similarly, we have approached local agents to discuss the commercial market sentiment, their perspective on the site's prospects and also any known operator requirements for Hertford town centre.
- 3.4 At the end of each section, we provide a summary of our findings and make recommendations based on the data collated. We conclude our findings at the end of the chapter.
- 3.5 As stated in the introduction to this report, occupiers and agents have spoken to us in confidence regarding the site. The information they have supplied us with should be treated as strictly confidential, as in some cases comments have been made 'off the record'.

Retail

- 3.6 We have separated the following section to differentiate between the convenience and comparison retail markets in Hertford. For convenience retail, we have focused our analysis on smaller-scale stores (e.g. local / express-style) as opposed to large foodstores or hypermarkets. Whilst the site is capable of accommodating a larger format supermarket, we would envisage this being surplus to requirements given the proximity

of the Tesco and Sainsbury's superstores. For comparison retail, we have taken a more inclusive approach and have considered the potential for various different operators.

Convenience Retail Market Overview

- 3.7 In recent years, development of large-format stores by the 'Big Four' (Tesco, Sainsbury's, Morrisons and Asda) effectively stopped as they moved their focus to the smaller, express-style supermarkets in city centres. These were often found in employment areas, transport hubs or high-density urban neighbourhoods where there would be high levels of footfall. However, this trend has recently slowed as the cost of running smaller stores has increased and there is more competition from other supermarkets in urban locations. In 2016, Tesco announced the closure of 18 Express stores and 12 Metro stores. Morrisons also announced the closure of 10 smaller stores.
- 3.8 The focus of convenience retail has shifted to the discount market. In 2018, Sainsbury's and ASDA announced their potential merger (although this was ultimately blocked by the Competition and Markets Authority in April 2019), and Tesco announced its opening of a discount subsidiary, Jacks. Tesco is expected to utilise poorly performing metro stores and existing floorspace which is not yet fitted out for the new Jacks stores. This is expected to be roughly 30-40 stores.¹
- 3.9 The focus on the discount market has been driven by the expansion of chains such as Aldi and Lidl which, in contrast to the major supermarkets, have experienced significant growth. Aldi is growing at a rate of 0.7% a year and Lidl 0.5%, while the big four are experiencing market share erosion with Tesco (-0.6%), Sainsbury's (-0.4%) and Morrisons (-0.1%) losing ground. ASDA remained flat on the previous year.²
- 3.10 This trend is expected to continue in 2019 as discount stores such as Lidl and Aldi are expanding into the upper-end of the market through the introduction of premium ranges which are growing at rate of approximately 20% a year.³ The latter have recently announced their ambition to open a new store each week, with upwards of £1bn due to be invested.⁴
- 3.11 This is putting a squeeze on more upmarket rivals such as Waitrose and Marks & Spencer. In November 2018 The Sunday Times reported that a number of operators were in decline:
- Sainsbury's have underperformed those of competitors for 18 months despite its strong presence in the convenience store market.
 - M&S's food sales has declined by 2.9%.

¹ CBRE, 2018. *The Property Perspective, H2 2018*.

² CBRE, 2019. *The Property Perspective, H1 2019*.

³ Sunday Times, November 2018. *My other supermarket is a Lidl*.

⁴ BBC News, 2019. *Aldi plans to open a new supermarket each week*.

- Waitrose is cutting costs and removing lower margin products from their stores in an attempt to rebuild profit which fell by £172m in 2017.

Hertford Convenience Retail Market

- 3.12 There are three convenience retailers present in Hertford; Sainsbury's, Tesco and Marks & Spencer, as shown in Figure 3-1 below.

Figure 3-1 – Hertford Convenience Retail



Source: Google MyMaps, 2019.

- 3.13 Convenience retail representation in Hertford is fairly strong given the size of the town, with Tesco & Sainsbury's accounting for over 76,000 sqft alone. It is notable that the two main budget operators, Aldi and Lidl, do not yet have space in the town, however the latter has recently obtained planning permission for a site south of the town centre along Gascoyne Way.
- 3.14 We have looked to identify rental deals involving retail units in Hertford. There are none listed on CoStar⁵ for convenience retail space within the past 2 years. We have therefore looked to comparison retail units for evidence of rents, as this provides a benchmark to indicate where rents for convenience uses may sit. With the exception of one transaction,

⁵ CoStar is a commercial property database which records data obtained from lease transactions, sales, listings, demolitions and tenants.

there is a lack of recent evidence, with majority deals dating back to 2017. This evidence indicates that larger comparison units (1,000 – 5,000 sqft) have achieved between £15 - £30 psf.

- 3.15 We have also looked to identify any available units which could be suitable for convenience retail. Our search revealed only two retail units currently listed in Hertford which are detailed in Table 3-1 below.

Table 3-1 – Current Hertford Retail Listings

Address	Size (sqft)	Asking Rent (p.a.)	Asking Rent psf	Note
84-86 Fore Street, Hertford, SG14 1AA	2,562	£50,000	£19.51	Mid-terrace, masonry-built building with ground floor retail unit and hotel accommodation on the upper floors. Formerly a post office. The space has been listed for 35 months.
46-48 St Andrew Street, Hertford, SG14 1JA	1,330	£34,000	£25.56	Ground floor unit which can be either office or retail uses with access to further office uses on the first and second floors. Listed for less than 1 month.

Source: CoStar, 2019.

- 3.16 The two listings identified evidence rents of between £19 - £26 psf, which are consistent with the rents achieved from completed transactions. This suggests that retail rents have remained stable over the past few years. Further, the lack of available evidence indicates that there is a low turnover of units in Hertford with occupiers remaining in-situ for longer terms.
- 3.17 We have looked to identify investment sales of convenience retail units in Hertford, however we were unable to identify any transactions with tenants in-situ. We have therefore relied on evidence from Knight Frank, who indicate that foodstores are currently achieving yields of 4.75%.⁶

Hertford Convenience Retail Demand

- 3.18 Due to the location of the Bircherley Green site and its former use as a shopping centre, there is likely to be some demand for convenience retail space. Whilst there are two large supermarkets on the periphery of the town centre, the Marks & Spencer Simply Food on Fore Street is the only 'smaller-scale' convenience retailer representation in the town centre. This unit is smaller by comparison to the other two operators, however still provides over 8,000 sqft of convenience retail space. Further, the store is located at the

⁶ Knight Frank, 2019. *Yield Guide: February 2019*.

eastern end of the town-centre, and there are no convenience retail operators located along the main commercial concentrations on Railway Street, Maidenhead Street & Bull Plain.

- 3.19 We contacted several convenience operators including Tesco, Sainsbury's, Waitrose, Budgens, Londis, Co-op, and Aldi to ascertain their requirements and general interest in the site. General requirements for smaller convenience retail operators are as follows:
- Freehold sites or long leaseholds
 - Units of 3,000 – 5,000 sqft
 - Within town centres of large settlement boundaries
 - Catchment populations exceeding 10,000.
- 3.20 Budgens are typically interested in smaller stores of 2,000 – 3,000 sqft however do also require anywhere from 6 – 12 parking spaces, depending on the nature of the store and specific location. Whilst Budgens are currently considering sites across the south-east, they did not confirm whether they would be interested in the Bircherley Green site specifically.
- 3.21 Other operators expressed tentative interest subject to the inclusion of other uses as part of the site's redevelopment. For example, in consultations with Tesco recently, we have been made aware that they are focussing on sites closer to communities as they are finding that customers would rather shop closer to home than travel significant distances. Accordingly, if residential uses are to be provided this could encourage interest from convenience operators. Similarly, if office or business uses are delivered, then a small foodstore could also benefit from a proximate workforce and lunchtime trade.
- 3.22 We were later informed by Tesco that, despite their general requirements remaining the same, the Bircherley Green site is unlikely to be of interest given their existing presence in Hertford.
- 3.23 We are aware that Lidl have an active requirement for a site in Hertford. We have contacted Lidl but they have yet to respond. From past dealings with Lidl, we expect that this site would provide sufficient visibility, although their typical site access requirements may be a deterrent. We find that they typically want strong roadside locations which benefit from a steady flow of passing motorists.
- 3.24 We approached Waitrose to enquire about their interest in returning to Hertford / the Bircherley Green site, but they did not respond. We are aware that Waitrose have recently closed their store in Stevenage Old Town after over 40 years of trading on the High Street, deeming the store / location to be commercially unsustainable.⁷

⁷ The Comet, 2019. *Date set for closure of Waitrose in Stevenage High Street.*

- 3.25 From our consultations with local agents, it was not envisaged that another large supermarket would be suitable at the site given the size of the Tesco & Sainsbury's on the periphery of the town centre. They supported that interest from convenience operators is likely to be dependent on other uses which could generate a regular flow of consumers, such as residential or office uses. None of the agents were acting on behalf of any convenience retailers who had active requirements in Hertford.
- 3.26 If other uses can be used as a catalyst to generate demand, requirements are likely to range from 2,000 sqft to 5,000 sqft. Certain operators are likely to require parking spaces within reasonable proximity of the store / complex. We would anticipate rents could be in the region of £20 - £25 psf for new-build convenience retail space in this location.

Comparison Retail Market Overview

- 3.27 In recent years, the comparison retail sector has experienced difficulty due to the growth of online shopping and e-commerce. At the end of 2018, e-commerce accounted for 20% of all retail sales. This has been of particular significance to high-street retail, where other than in city-centre locations or established shopping centres, the sector has generally struggled as consumer confidence has fallen.
- 3.28 CBRE reported that UK high streets faced a particularly difficult year, with rising vacancies and a lack of investment placing downward pressure on regional rents. Average prime rents outside of London fell by 4.4%, and the second half of 2018 saw yields weaken as aptitude for investment, depreciation of rents and increasing vacancies resulted in negative market sentiment.
- 3.29 The demise of high street retail has been further exacerbated by the political uncertainty associated with Brexit. Reduced economic output and abrasive supply chains have been cited as potential impacts which are anticipated to further weaken comparison retail sectors. Additionally, retailer costs have increased hitting a ten-year high. Rising wages, business rates, commodity prices and pension contributions are anticipated to intensify retailer concerns.⁸
- 3.30 Occupational metrics were described as volatile in Q2 2019, with profit margins becoming increasingly pressurised in competitive pricing markets. These effects were said to be further compounded by the rising costs and continued political uncertainty. It is anticipated that further financial distress and administrations will be reported in the second half of the year.⁹ Comparison retailers including Boots, Wilko, Cotswold Outdoor, Monsoon and New Look join larger groups such as House of Fraser & Arcadia Group to have reported financial difficulties over the past two years.

⁸ Deloitte, 2019. *Retail Trends 2019, Retail Re-invented*.

⁹ Cushman & Wakefield, 2019. *Retail Market Snapshot, Q2 2019*.

3.31 Accordingly, market commentators are expecting to see the introduction of new store services and innovative retail models to redefine shopping experiences for consumers and encourage high street spend. This includes retailers providing services outside of the confines of their regular income streams (e.g. high street fashion retailers providing in-store cosmetic services, entertainment and cafes). However, with the terms of the UK's withdrawal from the EU still undecided, consumer confidence remains low and operators are proceeding with increased caution.

Hertford Comparison Retail Market

- 3.32 Prior to its closure, Bircherley Green was considered an anchor of Hertford Town Centre and contained most of Hertford's recognisable operators, including New Look, Superdrug and Boots. Other service goods at Bircherley Green including nail salons, mobile phone repairs, hairdressers and barbers were well used and popular, although the unit sizes were considered small and the design of the centre were considered detached from the rest of the comparison retail offering in the town centre.¹⁰
- 3.33 Hertford Town Centre is dominated by comparison retailers, including a range of national and local independent traders. The main concentrations are located along Maidenhead Street, Market Street, Railway Street and Fore Street, with most independent traders located in the secondary shopping frontage along Old Cross and Parliament Square.
- 3.34 In terms of overall volume, comparison retail representation in Hertford is considered strong. These units trade with a higher sales density than those located outside of the town centre in locations such as Madford Retail Park, where units generally trade with lower turnover densities than high-street shops due to the larger floorspaces. The combined sales density for Hertford, inclusive of Madford Retail Park, was estimated at £3,003 psm net in the 2013 retail study.¹¹ We would expect this figure to have since increased given the growth anticipated in Hertford. Policy HERT1 stipulates that Hertford will accommodate a minimum of 950no. new homes over the plan period; 650no. by 2022 and a further 300no. by 2027.
- 3.35 As identified earlier, there is a lack of recent evidence for comparison retail lease transactions in Hertford. The evidence identified dating back to 2017 supports rents of between £15 - £30 psf. Similarly, current asking prices for comparison retail spaces range from £17 - £25 psf, suggesting that all retail rents in Hertford have remained consistent over the past few years.
- 3.36 We identified two retail units listed to let at the time of our assessment; one located on Bull Plain and the other on Railway Street. The former is a 940 sqft unit previously used

¹⁰ The Retail Group, 2015. *Retail Needs & Opportunities in Hertford Town Centre*. (p. 6)

¹¹ Nathaniel Lichfield & Partners, 2013. *East Herts Retail & Town Centres Study Update*. (p. 14)

as a tattoo parlour with an advertised rent of £20.74 psf. This unit is shown to have a let agreed but no further details provided. The latter, a fashion retailer arranged over three floors, is listed for a rent of £17.67 psf.

Hertford Comparison Retail Demand

- 3.37 The occupants of the former retail units at Bircherley Green were effectively 'bought out' of their premises / leases to allow Diageo Pension Trust to obtain vacant possession of the site. The vacation of these occupiers is not considered to be associated with declining trade or insufficient demand, but to allow the former Applicant to secure vacant possession of the site. Accordingly, we would anticipate that, once redeveloped, the central, accessible location of Bircherley Green to present an attractive prospect to comparison retail occupiers.
- 3.38 We have approached a range of comparison retailers to discuss the site along with demand characteristics and typical unit requirements. A full list of those contacted can be found in Appendix 1.
- 3.39 Our consultations have revealed that, like convenience retail, demand is influenced by the complimentary uses provided on the site elsewhere. For instance, uses that will encourage consumers to remain in the vicinity of the site such as food & beverage or leisure operators are likely to increase demand for comparison retail space. Further, the provision, proximity and price of parking is also likely to influence the level of demand.
- 3.40 Given the amount of retail space proposed in the extant permission, we would also expect demand and rents to be influenced by the position of the units. Rents will also vary subject to the exposure to passing pedestrian trade. A concern with the former shopping centre was that the design meant many of the internally-facing units lacked integration with the rest of the town centre. Thus, in order to maximise the rental potential of future retail units at the Bircherley Green site, consideration should be given to the exposure and integration amongst the existing retail offering, particularly along Railway Street & Bull Plain.
- 3.41 A number of retailers (Fat Face, Paul, Superdrug, Paul Clothing Co, Waterstones) dismissed Hertford as a prospective location due to the size of the town and its demographic, suggesting it does not suit their typical consumer profile. These operators are generally prioritising space in larger towns such as Welwyn Garden City or Bishops Stortford, as these towns have larger and more diverse consumer catchments which in turn lowers risk exposure.
- 3.42 Lakeland in particular were concerned about the decline of town centre trade and the rise of e-commerce. They noted parking charges and poor journey times in town centres as reasons as to why consumers are being deflected to out of town retail parks and

reducing demand from retail operators for town centre locations. They did not have a requirement for Hertford at this time.

- 3.43 Local commercial agents generally shared similar opinions to the occupiers consulted, suggesting there could be some interest in the site from comparison retailers subject to the inclusion of other commercial uses. Further, it was anticipated that in the short-term, occupiers would need to be incentivised by favourable lease terms to encourage take-up whilst the site re-establishes its presence as a retail centre. It was considered highly unlikely that the volume of commercial space proposed as part of the previous application would be let immediately, and instead agents anticipated there would be significant void periods and vacancies before such a quantum of space was fully occupied.
- 3.44 One agent noted that it is not necessarily the town centre, however more so a national retail trend which has caused occupier confidence to drop and thus a hesitant approach to retail / high-street take up. He stated that the philosophy of retail needed to change; moving away from established national chains and to smaller independent occupiers who take space on lesser lease terms, sometimes on turnover rents. Encouraging smaller occupiers on favourable lease terms helps regenerate town-centres by re-establishing high-street spend for locally-based businesses and gradually increasing footfall over a longer period of time.
- 3.45 Accordingly, agents advised that any commercial space provided at the Bircherley Green site was designed to be flexible and accommodate a variety of different uses. It was deemed unlikely that a national occupier would take space immediately, and instead it may be a series of more transient occupiers on flexible terms which help re-establish the Bircherley Green site as a prosperous retail area.

Retail Conclusions

- 3.46 Based on the former use of the site and existing offering in the town centre, we anticipate there to be some demand for both convenience and comparison retail uses. However, this demand is likely to be dependent upon the nature of the scheme, density of the proposals and the variety of ancillary uses. We would anticipate there to be more interest from comparison retailers than convenience. It is unlikely that more than one convenience operator would want to occupy the site given the proximity of existing convenience retailers in Hertford (e.g. Tesco).
- 3.47 For both convenience and comparison space, we would recommend flexibility. We typically find that requirements for this type of space range from 1,000 sqft – 5,000 sqft. If units at the larger end of this range were included in the plan, this space should be

flexible so it can be subdivided or used for A3/4 uses, for example. Given the uncertainty over the level of demand, this would provide the best chance of the space being let.

- 3.48 We expect that retail space could achieve rents of £18 - £20 psf and a yield of 7.00%.¹² However, rents and lease terms may need to be similarly flexible in the short term to encourage take up and help re-establish Bircherley Green as an anchor in the town centre.

Leisure

- 3.49 The leisure sector is undergoing a substantial period of change, notably by the prioritisation of consumer experience over consumption. This has been well documented through the rising prominence of environments and activities which differ from conventional leisure offerings.
- 3.50 This section reviews the market trends in the leisure sector and analyses the suitability of such uses as part of the redevelopment of Bircherley Green. We have separated this section to firstly cover the food & beverage market and then the rise of leisure activities as part of town centre / retail schemes.

Restaurants, Bars & Cafes

- 3.51 The food & beverage (F&B) industry has also been subject to difficulties, with a number of high-profile Company Voluntary Arrangements (CVAs) and closures within the casual dining sector that have hit the industry last year. Byron Burger and Prezzo have announced CVAs. Jamie's Italian has also recently collapsed. Change in demand for healthy eating, the importance of brand image, and a desire for a new kind of dining experience have driven growth in independent boutique outlets.¹³
- 3.52 Operators are moving towards smaller spaces to minimise their capital expenditure, rent and rates liabilities, and backing up their sales through takeaway delivery often supported by food delivery companies such as Deliveroo and Uber Eats.¹⁴
- 3.53 Concurrently, the sector has seen a rise in experience-seeking consumers, with diners choosing innovative independent restaurants over larger, chain style operators. The cultivation of new and inventive dining environments is central to ensuring repeat business and maintain customer bases.¹⁵ This increased diversity of restaurant operators has led to more competition in the market, which provides some explanation as to why the larger chain operators have experienced difficulties. The Restaurant Group

¹² Knight Frank, 2019. *Prospects for Secondary Commercial Property*.

¹³ CBRE, 2019. *The Property Perspective*.

¹⁴ Property Week, 2019. *Fluid opportunities on the horizon for casual dining in 2019*.

¹⁵ Legal & General, 2018. *2018 The Future of Leisure*. (p. 25)

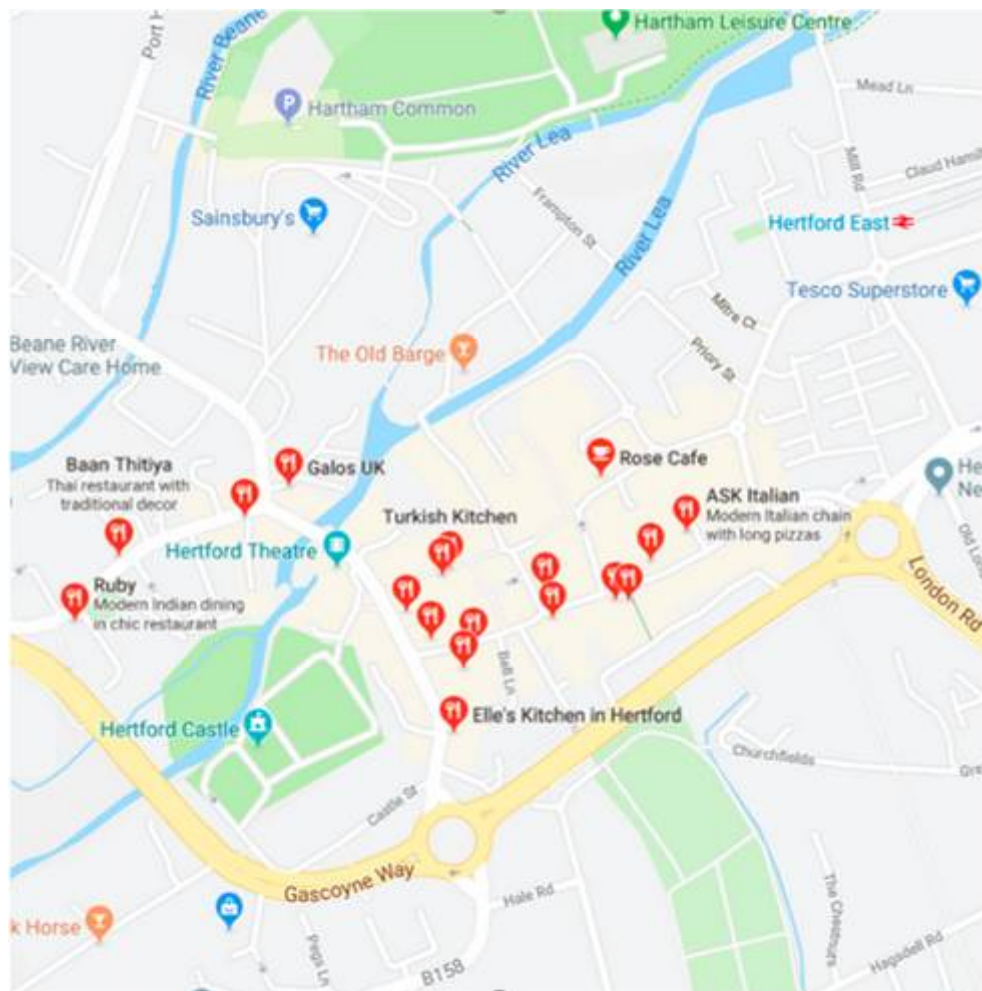
noted that whilst the number of customers hasn't decreased, the increase in competition has led to a fall in profits.¹⁶

- 3.54 It is anticipated that difficulties may continue within this sector. Brexit uncertainty may lead to a decline in consumer confidence and increase import costs, whilst the Living Wage will substantially increase operational costs. It is also unclear how Brexit will impact a sector which relies heavily on an EU workforce. These factors may potentially lead to a slowing in acquisitions. It is expected that this impact will also be felt most strongly in secondary markets.¹⁷

Hertford F&B Market

- 3.55 Figure 3-2 displays the location of restaurants in Hertford.

Figure 3-2 - Hertford Restaurants



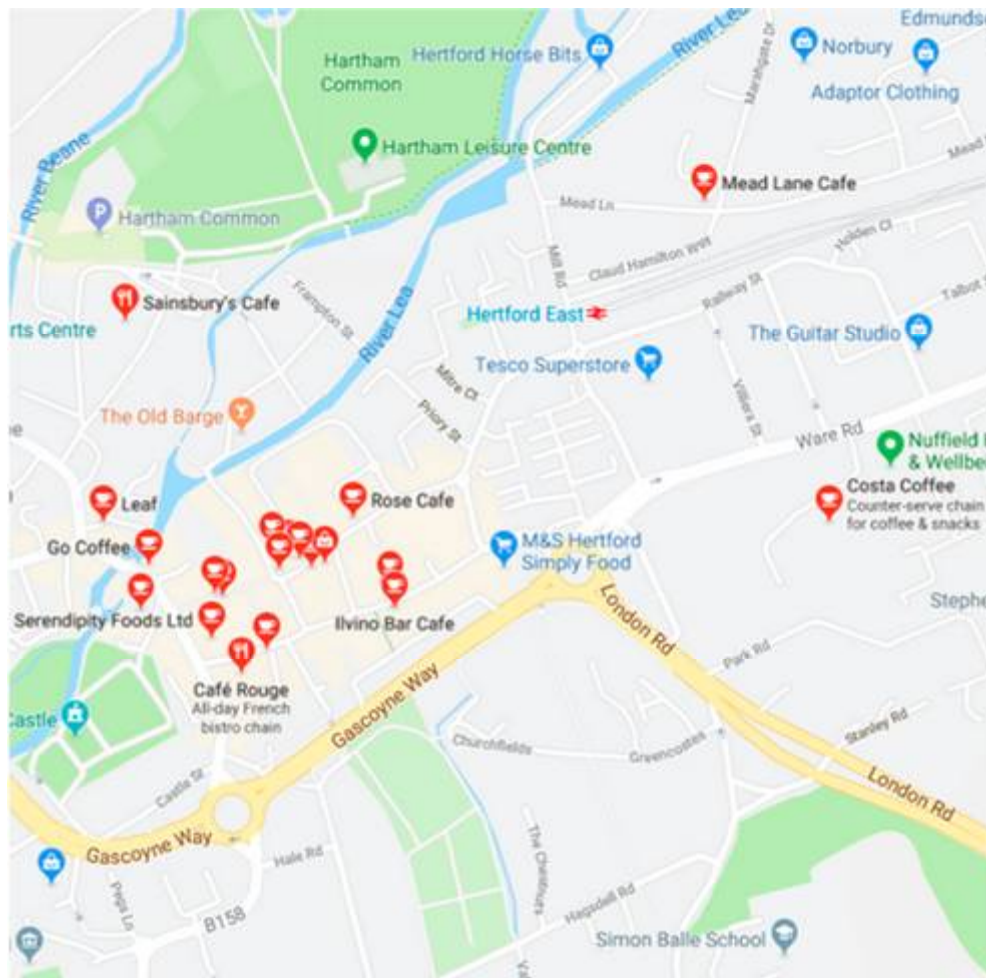
Source: Google Maps, 2019

¹⁶ Legal & General, 2018. *2018 The Future of Leisure*. (p. 22)

¹⁷ Savills, 2017. *UK Commercial Leisure: Q1 2017*.

- 3.56 There are a wide variety of restaurants in Hertford. These range from independent businesses to national chains such as Prezzo Italian and Café Rouge. Although there is a strong offering, the majority are concentrated in the town centre with the exception of some take-away style restaurants on the periphery.
- 3.57 Similarly, there are a number of existing cafes and coffee shops in the town centre, as shown in Figure 3-3. Cafes are predominantly smaller independent businesses, although national brands such as Costa Coffee and Caffè Nero are represented. Starbucks formerly occupied space at Bircherley Green but have not since relocated in the town.

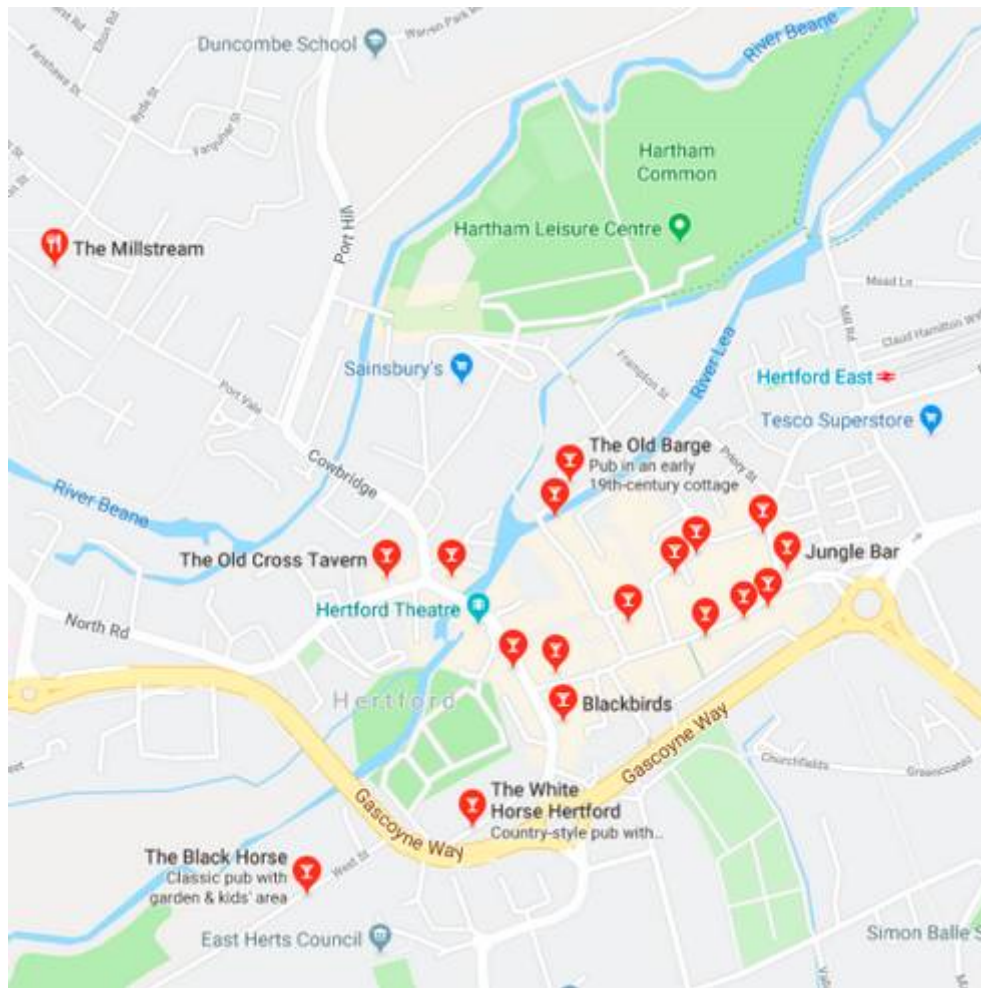
Figure 3-3 – Hertford Cafes



Source: Google Maps, 2019

- 3.58 Hertford's nightlife and evening economy has grown during the past 5–10 years, with agents noting that the period between April and September each year is particularly prosperous for the bars and pubs within the town centre. Hertford has a reasonable presence of existing pubs and bars, as shown in Figure 3-4 overleaf.

Figure 3-4 – Hertford Pubs



Source: Google Maps, 2019

3.59 We have searched property databases for transactions involving sales of F&B units. We have only been able to identify one transaction involving the investment sale of the unit. This unit is located at 17 Fore St, SG14 1DH and is occupied by Prezzo. This 5,639 sqft unit sold on October 2017 for £1,450,000. No details are provided on the rent, term or yield on this unit. We have therefore considered evidence published by Knight Frank on investment yields. This indicates that for secondary / tertiary locations, yields of 10% or more are currently being achieved in this sector.¹⁸

Food & Beverage Demand

3.60 Given the challenges faced by town centre markets in general, we are finding that most national restaurant and café operators have slowed or halted acquisitions. That said,

¹⁸ Knight Frank, 2019. *Yield Guide: February 2019*.

demand in Hertford has typically concentrated in the town centre and the Bircherley Green site therefore provides an attractive central / riverside location for F&B uses.

- 3.61 We are finding that pub operators are typically focussing on either strong town-centre locations, or on standalone sites close to major roads. Roadside sites offer strong visibility to passing motorists whilst town-centre locations benefit from high footfall. We anticipate that there may be some interest in a food and beverage operator although the unit would have to be well exposed to pedestrian footfall to maximise the potential for passing trade.
- 3.62 Interest in the site may however depend on the nature of the other uses that come forward. Should a large quantum of housing be delivered, or a hotel for example, these may help to attract other businesses incentivised by an influx of proximate consumers. It may be the case that an increased population generates a more active year-round evening economy to attract food & beverage operators. Similarly, with the inclusion of office space and weekday consumers, a small café, sandwich bar or coffee shop may prove to be a viable offering.
- 3.63 We contacted a range of F&B occupiers including restaurants, pubs and cafes. A summary of those contacted can be found in Appendix 1.
- 3.64 The Restaurant Group, which includes brands such as Wagamama's, Frankie & Benny's, Garfunkel's and Joe's Kitchen, confirmed that Hertford was too small for any of their brands. It is noted that The Restaurant Group have recently announced that they will exit at least 50% of their 352 leisure sites, which is consistent with trend identified earlier that larger operators are experiencing difficulties.¹⁹
- 3.65 Giggling Squid, a Thai restaurant, confirmed a long-standing interest in Hertford but stated that they wanted to 'avoid the changing nature of Fore Street'. Their requirements are likely to be for c. 4,000 sqft of predominantly ground floor space with a strong frontage and good accessibility. Leases are typically taken on 20-year terms and their preference is for lower rents over the entire term as opposed to initial incentives.
- 3.66 Greene King replied to say they are not currently considering town centre sites, and therefore do not hold an interest in the Bircherley Green site at present. Similarly, Fullers replied to say that a pub within a shopping / retail centre is unlikely to be of interest, instead preferring freehold units with large amounts of outside trading space.
- 3.67 We did not receive replies from Marston's, Mitchells & Butlers, or Youngs.
- 3.68 We received a reply from Stonegate PLC, who represent brands such as Slug & Lettuce, Be At One, and Yates. They confirmed they have recently bid to acquire Ei Group PLC and therefore attentions are likely to focus on merging businesses as opposed to single

¹⁹ CoStar, 2019. *The Restaurant Group to vacate 175 sites as soon as possible.*

site acquisitions. Regardless, they confirmed that they typically look to acquire shell condition sites and require large capital contributions.

- 3.69 Agents anticipated there could be some interest from F&B operators in acquiring space on the northern side of the site along the boundary of the River Lea, however none of the agents disclosed any current operator requirements for Hertford town centre. One agent also noted that there is possibly a restricted covenant across the Bircherley Green site from the local brewer, McMullen & Sons. We were informed this is likely to prevent any interest from other pubs / bars in the Bircherley Green site.

Leisure Activities

- 3.70 Whilst drinking and dining remain popular, consumers now seek to combine this with other concepts and leisure activities. Leisure offerings are consequently becoming more diverse and creative to meet the immersive needs of the evolving, experience-seeking consumer.
- 3.71 Historic leisure uses were typically associated with out-of-town locations, where larger units and cheaper rents could mean that diverse leisure complexes could be accommodated. These typically included a variety of activities such as cinemas, bowling alleys, arcades and casual dining restaurant chains. More recently, the emergence of the sector in town centres has meant that leisure concepts are becoming increasingly common anchor tenants for retail districts and promenades.
- 3.72 Competitive socialising venues have expanded rapidly and provide innovative competition to typical, stagnant leisure concepts (i.e. out-of-town bowling, cinema complexes, arcades etc.). This growth has been attributed to the advancement of technology and change in consumer profiles / preferences. However, these activities are typically associated with larger towns and cities, or established shopping centres (e.g. Westfield / intu shopping centres) where large and diverse catchment populations reside.
- 3.73 As competitive socialising venues significantly increase dwell times in otherwise transient locations, other commercial sectors are benefitting from this sectoral emergence. They have also been commended for creating a sense of place and providing diversity to evening economies. Popular examples include urban mini golf, bar & game (electronic darts, ping pong), virtual reality gaming and against the clock experiences (escape rooms, tv gameshow concepts). Many of these operations also incorporate a food and beverage offer; particularly alcohol sales in urban areas, which help further increase consumer dwell times.
- 3.74 Further, the number of fitness facilities across the UK has been increasing in towns and shopping centres. The 2019 State of the UK Fitness Industry Report revealed that the sector continued to strengthen, with increased facilities and memberships driving up the

total market value of the sector. In the 12 months leading up to 31st March 2019, the number of facilities across the UK grew to over 7,250 with 215 new facilities opening since March 2018.²⁰

- 3.75 Gyms in urban locations are generally smaller, with some operators requiring as little as 2,000 sqft. These units typically focus on shorter fitness classes rather than the provision of large gym floors and extensive equipment.

Hertford Leisure Activity Market

- 3.76 The current leisure market across Hertford is relatively inactive, particularly in the town centre. Hartham Leisure Centre is located north of the town centre on the south side of Hartham Common. The centre is managed in partnership with East Herts District Council and provides typical fitness and leisure facilities such as a gym, swimming pool, sports pitches and tennis courts.
- 3.77 There is also an Anytime Fitness gym located within 50 metres of the south-east corner of the site which provides 24hr access to a variety of fitness equipment, exercise rooms and specialised classes. This space was leased in June 2017 and was advertised at £14.53 psf (c. 4,800 sqft).
- 3.78 The Hertford Theatre is located within 200m west of the Bircherley Green site and has previously screened smaller independent films as well as live theatre shows. It has been noted that neither of the previously submitted schemes for Bircherley Green included provision of a cinema. However, the Council has committed to redevelop the Hertford Theatre site to upgrade the cinema facilities to include multiple screens that will show the latest cinematic releases, as well as other enhanced arts spaces. Accordingly, we have not considered the potential for a cinema in the Bircherley Green site to prevent potential competition to the Council's ambitions.
- 3.79 Other typical leisure activities are located in other centres within the district. Outside of East Herts, Harlow has a bowling alley, escape room and two Cineworld Cinemas (one in the town centre and one at a retail park). Hatfield, Welwyn Garden City and Stevenage have reasonable leisure offers, providing cinemas (multiplex in Hatfield), gyms and leisure centres.

Leisure Activity Demand

- 3.80 Given the volume of the commercial space proposed in the extant permission, is it unlikely a number of competitive socialising venues will hold interest in Hertford. For example, urban golf operators typically require 15,000 – 20,000 sqft and table tennis

²⁰ Leisure DB, 2019. *2019 State of the UK Fitness Industry Report*.

operators can require up to 15,000 sqft. Some operations, such as escape rooms and axe throwing have lesser unit requirements of 5,000 -10,000 sqft, however this may still be too large relative to the total capacity of commercial space and priority of retail units in the town centre.²¹ Regardless, we have approached a variety of operators including axe throwing, VR & gaming, table tennis, darts, bowling and escape rooms.

- 3.81 We received replies from PureGym & The Gym Group who both expressed interest in Hertford as a potential location. Their requirements were similar in nature, with PureGym interested in Hertford as a location for their 'small-box' format of c. 6,000 – 8,000 sqft and The Gym Group stipulating c. 8,000 sqft on a single level. The Gym Group did also state their requirement for 60 – 70 free parking spaces which members can use for 24 hours a day, 7 days a week.
- 3.82 Hollywood Bowl expressed a tentative interest in Hertford, however this is subject to the inclusion of a cinema complex on site. With the Council's ambitions to regenerate the Hertford Theatre, we believe Hollywood Bowl's interest is unlikely to be upheld without the presence of a cinema or large leisure complex on site.
- 3.83 We did not receive replies from the other operators approached. A full copy of those contacted can be found in Appendix 1.

Leisure Conclusions

- 3.84 The macro-trend driving the leisure market is the increased priority of consumer experience. The sector is attracting 150% more discretionary spend than retail and is growing twice as fast.²² Alongside this, leisure experiences have diverted from one-stop events to journeys with multiple activities; combining the cinema with meals, or trips to the gym with coffee.
- 3.85 Our research combined with agents' commentary suggests there is some demand for restaurants, pubs and coffee shops in Hertford Town Centre, however there is some apprehension over the possible competition from the established town centre offering. It is likely that interest will come from smaller, independent F&B operators as opposed to larger national chains, many of whom are consolidating operations or not actively seeking to acquire individual sites (e.g. The Restaurant Group / Stonegate PLC).
- 3.86 Depending on the nature of other uses, there may be some opportunity to attract smaller businesses to provide a café or small restaurant to support the local population. If a hotel is brought forward, there may be potential to include a food and beverage offering to cater for local visitor trade.

²¹ Legal & General, 2018. *2018 The Future of Leisure*. (p. 36)

²² Legal & General, 2018. *2018 The Future of Leisure*. (p. 2)

- 3.87 Our previous report highlighted the potential for a cinema operator to occupy the Bircherley Green site, however in light of the Council's intentions to improve the Hertford Theatre, we have not approached operators at this time. We did not receive replies from other similar leisure operators including escape rooms and competitive socialising brands.
- 3.88 There may be potential for a gym to occupy the Bircherley Green site, with two operators expressing interest in Hertford as a location. Both stipulated fairly sizeable unit requirements of c. 6,000 – 8,000 sqft and may also require free on-site parking.
- 3.89 We would again recommend unit flexibility to allow for reconfiguration and space optimisation. Leisure uses offer the opportunity for landlords to fill underutilised space or in reallocating units which come back to market, even on a temporary or meanwhile basis. Savills note that the best way to attract both retail and leisure occupiers is to offer flexible terms including affordable or below market rent, turnover terms, contributions to fit-out and rent-free periods. Further, more innovative approaches such as the provision of spaces that can be leased on hourly or daily bases may also help secure and retain occupiers.²³
- 3.90 The curation of flexible retail and leisure units could therefore provide opportunities for meanwhile uses or short-term occupation to reinvigorate the Bircherley Green site in the early stages.

Hotel

Overview

- 3.91 In recent years, the hotel property market has been strong. It has experienced significant investment and growth. However, in 2019, it is expected that this may slow due to the uncertainty around the UK's departure from Europe. Whilst the weak pound has encouraged buoyant leisure travel, Hoteliers are expecting a difficult year.
- 3.92 PWC anticipate that the weak pound will also maintain strong inward investment. Investment has led to an increase in stock across the UK with 40,000 new rooms delivered throughout 2018-19. It is expected that this supply will lead to lower occupancy in certain areas, as demand has not increased in conjunction with supply.²⁴
- 3.93 Savills again highlight the resilience of the market, noting that this is partly due to the weak pound making the UK attractive to foreign tourists. This trend is expected to

²³ Savills, 2019. *Curating retail and leisure: Getting it right.*

²⁴ PWC, 2019. *UK Hotels Forecast: 2019.*

continue as Brexit is unlikely to deter attraction to the UK as a tourist destination. UK residents are also expected to increasingly choose domestic holidays, which will again bolster the hotel market. However, Brexit is likely to have an impact on the business-travel market, particularly at the higher-end market. Savills note that the investment market will increasingly look to regional cities. This is due to investors looking to higher-yielding property, as well as fewer opportunities in London. ²⁵

- 3.94 The market has been increasingly focussed on the budget end of the sector, with increases in the number of rooms from brands such as Travelodge, Ibis and Premier Inn. Savills note that budget transactions represented 28% of investment sales in 2018. By comparison, in 2007, this sector represented only 11.2%. ²⁶
- 3.95 This sector has experienced a number of challenges in recent years. Introduction of the Living Wage in 2016 and increased business rates in 2017 have led to shrinking margins. It is expected that Brexit may have an impact on access to staff. Currently, 34% of staff are EU nationals. ²⁷
- 3.96 Knight Frank report that Local Authorities are increasingly investing in commercial property, with hotels in particular proving to be popular. In 2018, Councils invested £93m into the sector, representing a 183% increase on 2017. This is an effective way to use low interest central government loans to secure a secure, long-term income. Six out of seven transactions in 2018 involved either Travelodge or Premier Inn. These transacted for an average of £99,000 per room and represented yields of between 4.5% and 6%. ²⁸
- 3.97 The budget / roadside hotel sector is dominated by the big chains such as Travelodge and Premier Inn. There is some flexibility as to whether developments are freehold or leasehold, but often hotels are developed in partnership with developers as part of a wider mixed-use commercial or retail park scheme. Rents are generally £3,000 – £3,500 per bedroom.
- 3.98 Most new hotels are developed using a Management Contracting business model whereby the developer / investor takes the risk and the hotel chain operates the hotel for a fee. Due to the expensive fit-out, the viability is often only achieved for the developer by the hotel bringing footfall and vitality to a wider scheme.

Hertford Market

- 3.99 There are five main hotels located around the Bircherley Green site. The locations of these hotels are shown in Figure 3-5 overleaf.

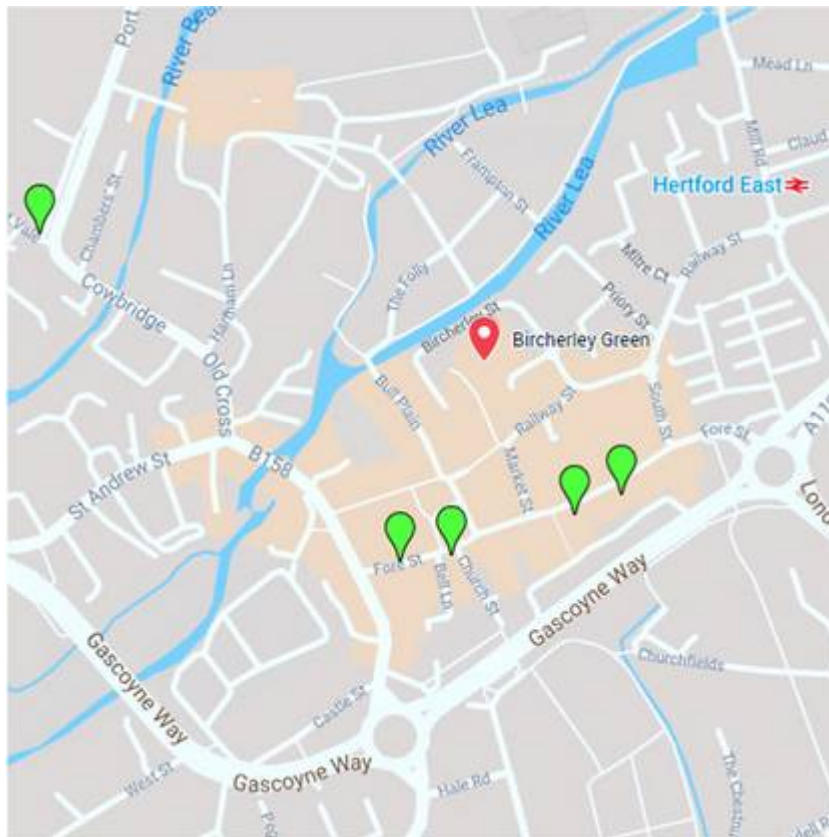
²⁵ Savills, 2019. *UK Hotel Investment*.

²⁶ Savills, 2019. *UK Hotel Investment*.

²⁷ Savills, 2019. *UK Hotel Investment*.

²⁸ Knight Frank, 2019. *UK Hotel Capital Markets Investment Review*

Figure 3-5 – Hotel Locations



Source: Google MyMaps, 2019.

- 3.100 The hotels present in Hertford range in styles from traditional inns to smaller boutique, bread and breakfast style offerings. These are all located in the town centre or closer to major roads. It is notable that there are no major chains present in Hertford, however we understand that Premier Inn were interested in operating the hotel proposed in Phase 1 of the extant permission.
- 3.101 To understand the values which could be achieved by this use, we have looked to identify comparable transactions. There are no deals recorded in Hertford so we have extended our search radius to cover the whole Hertfordshire District. The evidence identified is presented in Table 3-2.

Table 3-2 - Hotel Transactions

Address	Deal Date	No. Rooms	Sale Price	NIY (%)	Price / Room
Travelodge, Comet Way Hatfield, AL10 0XR	01/10/2018	120	£12,250,000	4.25%	£102,083
Travelodge Cheshunt Hotel	20/01/2018	100	£9,650,000	-	£96,500

Park Plaza, Great Cambridge Rd Waltham Cross, EN8 8DY						
H2O Development - Premier Inn 99 Church St Rickmansworth, WD3 1JE	13/11/2018	88	£14,100,000	4.25%	£160,227	
Travelodge, 51/57 St Peters Street, St Albans, AL2 3DH	17/05/2019	130	£24,425,000	4.38%	£187,885	

Source: CoStar, 2019

- 3.102 This indicates that hotels in wider Hertfordshire area have transacted for between £96,500 and £187,885 per room. The H20 scheme in Rickmansworth is a brand-new development close to Watford. We would expect this location to be slightly stronger to Hertford, where we would expect a hotel development to achieve closer to the Travelodge comparables in Cheshunt & Hatfield in Table 3-2. The third Travelodge in St Albans is currently being redeveloped and is expected to complete in Q3 2020.

Demand

- 3.103 We have recently contacted Travelodge and Ibis who both expressed an interested in acquiring a Hertford location. This was prior to Diageo withdrawing from the site and both operators were aware of the plans for Premier Inn to occupy the proposed hotel.
- 3.104 Travelodge confirmed they have an active requirement in Hertford for a 95no. bed hotel with a bar & café. They have expressed an interest in acquiring a lease interest at the Bircherley Green site and requested to be kept updated as circumstances progress.
- 3.105 Ibis stated previously that they are interested in being kept up to date with opportunities in Hertford. They highlighted a lack of available rooms or an established hotel brand in Hertford currently and suggested that this could present an opportunity for them. They did not provide details of specific requirements, but requested that we keep them updated with any opportunities. They have not replied to our latest email regarding Bircherley Green.
- 3.106 Moxy Hotels have confirmed there is insufficient market demand in Hertford. Their agent confirmed that requirements are generally for 150 – 225 rooms in major city centres or tourist locations.
- 3.107 We did not receive replies from Easy Hotel or Holiday Inn.

Conclusion

- 3.108 There may be an opportunity to bring forward a hotel as part of the Bircherley Green redevelopment. We are aware of interest in Hertford from Travelodge and Ibis. However, to understand what type of hotel could be delivered, this use would need to be tested further with the market. Interest to date has been tentative, and operators would need further details on what areas of the site may be available and how many rooms could be suitable, for example.
- 3.109 Hotels are likely to work well in conjunction with a proximate leisure offering, with food and beverage operators in particular. Travelodge expressed their interest in the site along with a café and / or bar on site.
- 3.110 If a hotel were included as part of the masterplan, we expect that this could achieve a capital value of approximately £100,000 - £125,000 per room at a yield of 4.25%.

Offices

Overview

- 3.111 In this section we consider the potential for office uses as part of Bircherley Green's redevelopment. We have researched this sector as c. 1,400 sqm of office space was proposed as part of the November 2018 application which the Council intended to approve. We therefore anticipate that future proposals could include the provision of office space.
- 3.112 The announcement of Brexit has caused a substantial amount of uncertainty in the national office market. Cushman and Wakefield described 2016 as, 'one of the most turbulent years over the last decade'. Moving into 2019, together with soft economic growth, the prolonged uncertainty of Brexit is expected to result in a slight fall in UK office investment and occupier activity as decision makers opt to 'wait and see'.²⁹
- 3.113 Although there is uncertainty in the market, there is also a lack of higher-quality office space throughout the UK. Grade A space in particular is in short supply. The demand for new, high quality space has also increased, partly due to companies using high-quality workspaces to attract and retain talent, and partly due to occupiers being able to use new space in a more intensive manner.
- 3.114 Nationally, demand is being driven by flexible workspace providers who in 2018 took more office space than any other part of the business services sector. This sector is expected to continue to grow in 2019.

²⁹ CBRE, 2019. *Real Estate Market Outlook 2019*.

- 3.115 The strong fundamentals of UK real estate continue to attract global investors and yields remain relatively stable for office stock. However, the level of investment has fallen. In 2018 office investment fell to 37% below the 5-year average.³⁰
- 3.116 In most instances, new office stock is being developed on a pre-let basis as these offer the greatest certainty to developers. Speculative space is typically only being delivered in the strongest locations. However, this trend is also partially because of funding shortfalls. Due to nervousness over Brexit, developers are often unable to fund speculative development. Lenders will only fund new development in most cities when it includes an element of space being pre-let to lower the risk exposure.³¹
- 3.117 Glenny report that in the North London and Hertfordshire office market, take-up in 2018 fell below trend levels in the first 3 quarters of the year. Over the same period, supply increased and in Q3 2018 was 40% higher than the lowest point in 2017. Although supply increased and take-up fell, Glenny report that rents remained fairly stable throughout 2017 and 2018.³²
- 3.118 There was a slow start to 2019 in the North London and Hertfordshire office market. Glenny report that less than 20,000 sqft of office space was let in Q1. All of this floorspace comprised smaller units of less than 5,000 sqft. Across this area, there is also a reasonable availability of Grade A stock - 367,800 sqft space was available in Q1, which equated to 35% of the overall stock in North London and Hertfordshire.³³

Hertford Market

- 3.119 Hertford is not an overly active office market, with low transaction volumes and reduced demand. It is unlikely that businesses would look at Hertford favourably over other, more prominent business locations within the district.
- 3.120 Table 3-3 displays the transactional evidence we have identified for office space since the start of 2017.

Table 3-3 - Office Transactions

Address	Deal Date	Size (sqft)	Rent per Annum	Rent psf	Note
8-14 Bull Plain Hertford, SG14 1DT	Aug 2018	2,800	£36,400	£13.00	Small high-street unit. Void of 20 months.
30-34 Parliament Sq	July 2018	506	£4,665	£9.22	Small high-street office. Rent achieved

³⁰ Cushman & Wakefield, 2018. *Office Quarterly Market Snapshot Q4 2018*.

³¹ Cushman & Wakefield, 2016. *UK Regional Offices Q4 2016*.

³² Glenny, 2018. *Glenny Databook Q3 2018*.

³³ Glenny, 2019. *Glenny Databook Q1 2019*.

Hertford, SG14 1EZ						was 30% lower than asking.
4 John Tate Rd - Harforde Court Hertford, SG13 7NW	April 2018	3,236	£46,016	£14.22		Located at Foxholes Business Park. Void of 19 months. Achieved rent below asking. 5-year term
10-14 Bull Plain Hertford, SG14 1DT	Oct 2017	974	£12,662	£13.00		Small high-street unit. Void of 11 months and let on 3-year term.
44 Fore St Hertford, SG14 1AW	Oct 2017	703	£7,030	£10.00		Smaller high-street unit. 7-Month void and leased at 5-year term.
4-6 St Andrew St - Saxon House Hertford, SG14 1JA	Aug 2017	3,459	£60,532	£16.36		High-street office unit leased on 10-year term. 7-month void and 6-month rent free.
John Tate Rd - Building E1-E2 Hertford, SG13 7NN	Aug 2017	2,947	£94,186	£29.67		Business-park unit at Foxholes estate. Achieved £10 psf above asking rent. 5-month rent free. Void of 63 months.
32 St Andrew St Hertford, SG14 1JA	Mar 2017	995	£19,900	£20.10		This unit let within 2 months of being marketed.
John Tate Rd - Harforde Court Hertford, SG13 7NW	Feb 2017	1,874	£12,050	£6.50		Business park unit at Foxholes Estate. Built in the 90s and was marketed for 4 months before being let.

Source: CoStar, 2019

- 3.121 Table 3-3 shows that there have been very few recent transactions for office space in Hertford. None of these transactions involve space exceeding 3,500 sqft. It is also notable how long it has taken units to let – many of these transactions involve lengthy voids and landlords are then offering rent-free periods on units to attract and incentivise occupiers. Rents range from £6.50 psf to £32 psf, although the spaces which have let have ranged in both size and quality.
- 3.122 We have also looked to identify units which are currently advertised. This evidence is shown in Table 3-4 overleaf.

Table 3-4 – Office Asking Rents

Address	Size (sqft)	Asking Rent (p/a)	Asking Rent (psf)	Note
Prince of Wales House - 3 Bluecoats Ave Hertford, SG14 1PB	240	£7,200	£29.66	Small office in Grade II listed, red brick building. Town-centre location. This unit has been on the market for 18 months.
The Chase, Foxholes Business Park - John Tate Rd Hertford, SG13 7NN	1,887 <hr/> 3,582	£42,457 <hr/> £80,595	£22.50 <hr/> £22.50	Detached two-storey campus office building located in a modern business park. The units have been listed for 6 months.
Harforde Court, Foxholes Business Park - 1-4 John Tate Rd Hertford, SG13 7NW	1,610 <hr/> 1,608 <hr/> 1,610 <hr/> 1,608	£24,150 <hr/> £24,120 <hr/> £24,150 <hr/> £24,120	£15.00 <hr/> £15.00 <hr/> £15.00 <hr/> £15.00	Air-conditioned units with roller shutters in prominent location at Foxholes Business Park. These units have all been on the market for 34 months.
Stag House - Old London Rd Hertford, SG13 7LA	4,148 <hr/> 2,500	£76,738 <hr/> £43,500	£18.50 <hr/> £17.40	Detached red-bricked building with 88 parking spaces. Offers air-conditioned, open plan space serviced by two passenger lifts. The larger unit has been on the market for 64 months, and the smaller unit for less than 1 month.

Source: CoStar, 2019

- 3.123 Table 3-4 shows that space is currently advertised at four locations across Hertford. Asking rents range between £15 psf and £30 psf for properties of various sizes and quality. In line with the evidence from achieved deals, many of the available units have been marketed for long periods without letting. The extreme example is the 4,148 sqft of space available at Stag House which has not let in over 5 years. We understand that Stag House has experienced particular difficulty in letting space since its construction in the late 1980's.
- 3.124 In addition to rental transactions, we have looked to identify investment sales. We have only been able to identify two transactions as shown in Table 3-5.

Table 3-5 – Office Investment Transactions

Address	Deal Date	Size (sqft)	Sale Price	Yield	Note
Building E1-E2, Foxholes Business Park, John Tate Rd Hertford, SG13 7NN	Nov 2017	12,555	£3,700,000	6.65%	Multi-let property generating a passing rent of £262,059 per annum. Well-presented building with high-quality interior. Rents at circa £21 psf.
The Rotunda, 1 Old London Rd Hertford, SG13 7LA	July 2017	976	£19,520	5.10%	Investment sale of building let to 4 businesses. Purchaser will achieve vacant possession in 2021 for redevelopment.

Source: CoStar, 2019

- 3.125 The evidence set out in Table 3-5 is slightly dated, with both transactions occurring in 2017. The Rotunda site also sold with the potential for redevelopment. This example may not appropriately reflect office yields, as the purchaser may factor in development hope value and bid more for the site.
- 3.126 Given that we have only a single comparable and this is slightly dated, we have also considered the CBRE Investment Yields factsheet for January 2019. This indicates that for new office space in secondary locations, yields of 6.5% would be expected. This suggests that the 6.5% achieved by the unit at Foxholes Business park is reasonable.

Demand

- 3.127 Our analysis has shown there to be limited demand for office space within Hertford. There have been very few transactions and these all involve relatively small amounts of space. Additionally, these units have generally experienced significant voids before being let. Demand is predominantly from smaller local businesses rather than larger national businesses. These types of operator will look to stronger, more established locations in Hertfordshire such as the business parks at Welwyn Garden City or Hatfield.
- 3.128 We approached commercial agents operating in Hertfordshire about the office market in Hertford. The following comments / observations were made:
- The office market in Hertford was described as 'weak', with occupiers generally preferring locations along the M1 corridor such as Watford, St Albans or Welwyn Garden City. One agent noted that there is always office stock available in Hertford, supporting that the market is not particularly active.

- Agents reported the majority of office stock is being taken by occupiers with smaller requirements, typically between 1,000 – 2,000 sqft.
 - None of the agents disclosed any active requirements for office occupiers in Hertford. Agents anticipated that incentives would be required in order to attract 'larger occupiers', defined as those requiring upwards of 3,000 sqft.
 - Tenancies and lease terms are becoming more flexible, with maximum terms being between 3 – 5 years with either a break clause or rent-free period.
- 3.129 Agents also noted that a rent of c. £18.50 psf would be the limit of what could be realistically achievable for town centre office space. This was based on the availability of space elsewhere in more prominent business locations and also on recent offers at Stag House. Whilst there is a small presence of offices in the town centre, agents anticipated that the preference would be to pay lower rates at more established business parks.
- 3.130 It was suggested by one agent that a business centre might be an appropriate use of space at the Bircherley Green site. This could provide smaller, multi-let spaces including workshops and conference rooms for locally-based businesses to occupy and expand operations. In doing so, it was envisaged that this would bring longer-term employment and consumers to the area which would help attract other commercial occupiers.

Conclusion

- 3.131 From our market review, it is unclear whether there would be sufficient demand to make the development of large amounts of office space viable at the Bircherley Green site, although a smaller portion may prove to be appropriate.
- 3.132 There have been very few office transactions in Hertford, and the deals that have transacted involved smaller units. There has been no take-up of more substantial-sized offices and we are not aware of any larger requirements. The market is currently driven by smaller local businesses rather than larger businesses. That said, even demand for smaller space is also relatively weak. This means that delivering a large amount of office space would represent a substantial risk. Although small amounts of space could let, we expect that it could take a long time to let any building of significant size.
- 3.133 This was supported in our agent consultation where it was anticipated that if a major office requirement were to come forward, occupiers are likely to favour existing and established spaces such as Foxholes Business Park or Stag House. It was not anticipated that newly refurbished office spaces in the town centre would be able to provide any additional benefit or competition to the existing stock.
- 3.134 Based on the current market, it is unclear as to whether a developer would take the risk of bringing forward new office space. This is due to the lack of demand and because current rents would likely make significant office development financially unviable. We

anticipate that the maximum rent which space could achieved in the town centre would be £17 - £19 psf, although tenants may need to be incentivised in order to occupy space to begin with.

Community Facilities

- 3.135 The East Herts District Plan recognises that new development will result in increased demand for local services & community facilities.
- 3.136 The former Applicant was in correspondence with the NHS regarding the potential inclusion of a healthcare unit at the Bircherley Green site. Our understanding is that interest existed for a GP surgery (c. 780 sqft) and a mental health trust (c. 500 – 600 sqft) which were originally envisaged to occupy two separate units.
- 3.137 We contacted the NHS who confirmed that interest still remains in the site for both functions, however their preference would be to consolidate operations into single unit of c. 1,800 sqft.
- 3.138 However, we were informed that timescales are a crucial determinant in their interest in the site. Current lease arrangements mean that both facilities would need to secure new premises by 2022 at the latest. The preferred timescales would be to occupy a new unit within the next 18 – 24 months.
- 3.139 A pharmacy / healthcare retailer on site would be favourable, however not a prerequisite.

Summary

- 3.140 Our commercial market assessment has been undertaken to determine the uses which are likely to be viable and deliverable as part of the Bircherley Green site redevelopment. Our findings are summarised in Table 3-6 below.

Table 3-6 – Commercial Market Summary

Market Sector	Summary
Convenience Retail	<ul style="list-style-type: none"> Some demand for convenience retail, however not likely to be viable for more than one smaller-style store. Stores of c. 2,000 – 5,000 sqft with customer parking likely. Will be more attractive to operators if there is a proximate consumer base; either residential units, retirement accommodation or office space / nearby workforce.
Comparison Retail	<ul style="list-style-type: none"> Likely to be some remaining demand despite sectoral difficulties. Location and previous uses of the site mean the area is still considered to have comparison retail potential.

	<ul style="list-style-type: none"> • Location of the units likely to encourage competition from occupiers wanting to benefit from the optimum exposure and prominent positions. • One agent recommended flexibility in the short term to allow for a more variable and changeable comparison retail offering. Adamant the perception needs to change from relying on national occupiers who take space on long lease terms. Instead, space should be provided to allow for more transient uses to re-establish the area as a retail centre. • However, it was envisaged that proposals with large volumes of retail space could take significant periods of time prior to full occupation. Hence, flexibility lease terms (e.g. turnover rents) were encouraged to help generate occupation.
Leisure	<ul style="list-style-type: none"> • Some demand from F&B operators in the town centre, units likely to be c. 5,000 – 8,000 sqft with either incentives or reduced rents offered in the short term. • If a substantial amount of residential use is delivered, then there may be an increased market for such uses. Demand could be from both locally-based businesses or established national chains, however the former seem the more likely occupier based on current sectoral trends. • Similarly, if an anchor tenant such as a hotel or leisure operator is to be present on site, there is likely to be potential for ancillary food and beverage uses. • Two gym operators confirmed interest and requirements for Hertford. Unit size is likely to be c. 6,000 – 8,000 sqft. Proximity to Anytime Fitness may prevent taking larger units. • Hollywood Bowl expressed interest in Hertford as a location but subject to inclusion of a cinema complex to feed off. This seems unlikely based on the plans to regenerate the Hertford Theatre. • Innovative leisure activities could contribute to redevelopment / regeneration of the Bircherley Green site. Flexibility again recommended to allow for pop-up style events or occupiers for short-term periods.
Hotel	<ul style="list-style-type: none"> • Multiple occupiers have expressed interest for this use. Requirements likely to be for 80 – 100 rooms. • Interest from budget operators – Travelodge confirmed interest, aware of Ibis interest in Hertford from previous consultations. • Demand for this use should be tested further as the development options progress.
Offices	<ul style="list-style-type: none"> • We expect low demand for this use. • Rents and yields are unlikely to make this space viable.

	<ul style="list-style-type: none">• Delivery of a large amount of office space would involve significant risk as there is no clear demand from larger operators.• The market is driven by smaller local businesses, but take-up of smaller units is slow and it is unclear that there is a need for more space of this type.• Agent suggested that a local business centre could be an appropriate alternative, providing flexible space for local businesses / entrepreneurs to develop their operations, expand and generate local employment opportunities. Viability may still be a concern.
Community Facilities	<ul style="list-style-type: none">• Interest from the NHS in a combined GP surgery and mental health unit of c. 1,800 sqft. Entirely dependent on timescales.• Would need to occupy the unit by 2022 latest, but ideally within the next 18 – 24 months.• Interest not contingent upon other uses, however a pharmaceutical operator would be beneficial.

Source: AVL, 2019.

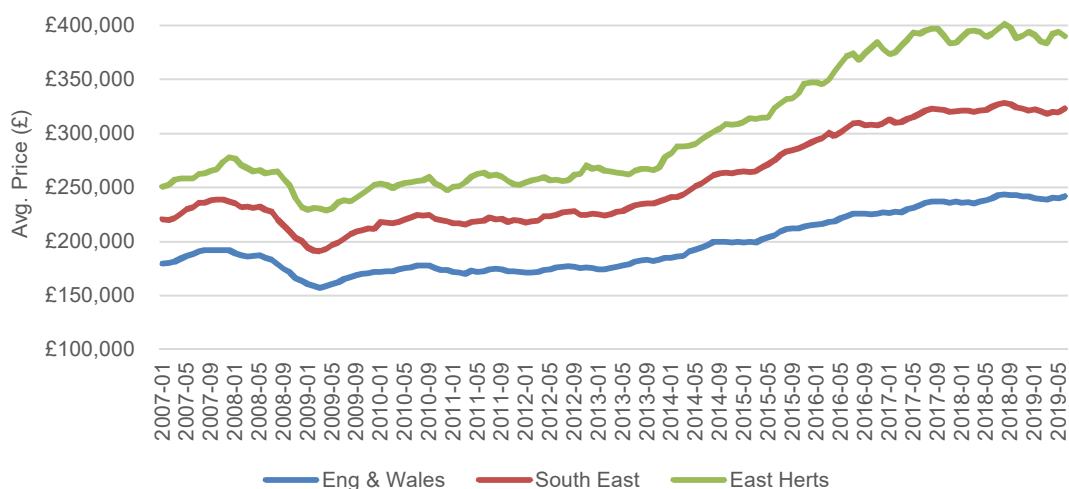
4 Residential Market Analysis

- 4.1 This chapter considers the residential market in Hertford, assessing current supply and demand of both housing and flatted accommodation in the areas surrounding the Bircherley Green site. We have reviewed the achieved values and asking prices for new-build accommodation in Hertford, focussing on typologies which are most likely suited to the Bircherley Green site. The prospective values will later be used to inform the value inputs of the residential elements for viability purposes.
- 4.2 We have separated our analysis into three sections, allowing us to determine the most appropriate types and mix of residential use across the subject site. As the 2017 planning consent involved the provision of solely flatted accommodation, we have focused our research on new-build flatted schemes in Hertford. However, we have also considered data for terraced, semi-detached and detached housing to allow these typologies to be considered and incorporated if appropriate. We end by considering retirement living accommodation in Hertford, including a summary of our operator consultations.

National & Regional Market Contexts

- 4.3 Since the Global Financial Crisis, national property markets have been in a period of growth. The strong level of demand, which is particularly acute in the south-east, has led to an imbalance in the market with demand outstripping supply. The supply constraints have led to average prices rising at significant rates. Figure 4-1 shows the average property prices (new and re-sales) for all property types in England & Wales, the South-East, and East Hertfordshire.

Figure 4-1 – Average Residential Property Prices



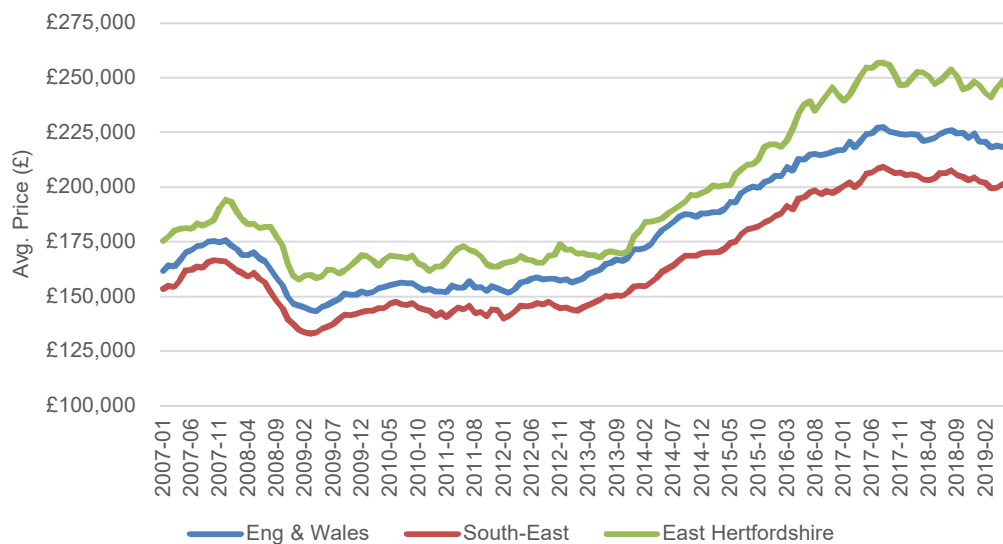
Source: Land Registry, 2019.

4.4 Since the lowest point of the market in 2009, East Hertfordshire has seen prices rise by almost double, outstripping the average growth in England and Wales. However, since late 2016, average prices in the district have behaved more erratically than the more consistent regional and national averages. As of June 2019, Land Registry data shows the average price for all property types in East Hertfordshire to be £389,736.

Flatted Accommodation

4.5 Prices for flatted accommodation in East Hertfordshire have behaved in similar fashion to other property types, generally outperforming the national and regional averages and with more erratic fluctuations over the past three years. As of June 2019, the average price for a flat in East Hertfordshire District is £242,182.

Figure 4-2 – Average Flatted Accommodation Prices



Source: Land Registry, 2019.

Sold Values

4.6 To provide a detailed insight into the values achieved by new-build flatted accommodation in Hertford, we have obtained data from individual transactions which have completed since January 2017. Our search identified 28no. flats from four different schemes in Hertford as summarised in Table 4-1.

Table 4-1 – New-Build Flats Transaction Summary

Scheme	No. Sold	Beds	Avg. Size	Avg. Price	£ / sqft
Stable House	3	1	416	£264,333	£651

Barker Court	11	2	760	£366,716	£483
Media House	11	n/a	971	£464,818	£485
Queen Alexandra House	3	1	499	£311,667	£623

Source: Land Registry, 2019.

Figure 4-3 – New-Build Scheme Locations



Source: Google MyMaps, 2019.

- 4.7 Stable House is a collection of 1- and 2-bedroom flats formed from the conversion of a former office on Priory Street. The three transactions recorded are all small 1-bedroom flats with internal sizes of 269, 484 and 495 sqft respectively. We would anticipate that the flats have been formed under permitted development rights, which would remove the necessity for the units to meet the national minimum space standards. This would also explain the higher-than-average price / sqft when compared to the other schemes identified.
- 4.8 Barker Court is part of the Station Gate development by Hemingford Estates. The gated development consists of two blocks of flats (Barker Court & Railway Street – 22no. units in total) and 6no. townhouses. Barker Court is located opposite Hertford East station and approximately a third of a mile north-east of the Bircherley Green site.

Figure 4-4 – Barker Court



Source: Rightmove, 2019.

- 4.9 Sales at Barker Court began in June 2018, with the most recent transaction completing in February 2019. Achieved values range from £318,000 - £495,000 with an average of £483 psf. As shown in Figure 4-4, the units are finished to a high standard and some come with private external space / balconies.
- 4.10 Media House, by LW Developments, is a block of 14no. flats formed from the conversion of a former art-deco style office block. Sales began in late 2016, with the most recent flat completing in September 2017. Units come with designated parking and sizes range from 560 – 1,152 sqft.

Figure 4-5 – Media House





Source: OnTheMarket, 2019.

- 4.11 Media House is located furthest from the Bircherley Green site and achieved an average value of £485 psf - similar to the units sold at Barker Court.
- 4.12 Queen Alexandra House is a conversion of a Grade II listed Edwardian school, Christs Hospital School, located in the heart of the town centre. The 6no. flats have been finished to a high specification, with tall vaulted ceilings and generously-sized windows. The flats identified from the recorded transaction data range from 463 – 517 sqft.

Figure 4-6 – Queen Alexandra House



Source: Zoopla, 2019.

- 4.13 Achieved prices at Queen Alexandra House range from £265,000 - £375,000 – all of which are 1-bedroom units. The average price of £623 psf suggests there is a premium for new-build conversions.

- 4.14 Of the schemes identified, we believe Barker Court provides the most reliable indication of what could be achieved at the Bircherley Green site. Whilst Stable House & Queen Alexandra House are located marginally closer to the subject site, they are both conversions of former buildings. Barker Court provides recent and compelling evidence of prices achieved for entirely new-build flatted accommodation in the town centre.
- 4.15 Further new-build flatted transactions recorded in Hertford during the past 12-months include retirement living flats which are reviewed later in the chapter.
- 4.16 To further substantiate the new-build achieved value data, we have researched current asking prices for new-build flatted accommodation in Hertford.

Asking Prices

- 4.17 Our review of current new-build listings revealed 14no. flats within a mile of the Bircherley Green site. These are summarised in Table 4-2 below.

Table 4-2 – New-Build Flats Asking Prices

Development	No. Beds	Size	Asking Price	£/sqft	Notes
The Hertford Brewery	2	1,964	£749,950	£382	Conversion of former brewery. High-specification, split-level apartments. Four-bed unit is the top floor penthouse.
	2	2,002	£749,950	£374	
	4	2,735	£1,100,000	£402	
Railway Street	1	764	£350,000	£458	The second block in the Station Gate development. Opposite Hertford East Station. Help-to-Buy available on select units.
	2	818	£405,000	£495	
	2	818	£405,000	£495	
	2	904	£435,000	£481	
	2	904	£435,000	£481	



	2	980	£450,000	£459	
	2	1,163	£495,000	£426	
	2	1,184	£500,000	£422	
Stable House	1	269	£200,000	£743	Conversion of former office space into flats. Two-beds come with allocated parking.
	1	269	£200,000	£743	
	2	n/a	£285,000	n/a	



Source: Rightmove & Steven Oates, 2019.

- 4.18 Table 4-2 shows that current new-build asking prices range from £200,000 - £350,000 for 1-bedroom flats and £285,000 - £749,950 for 2-bedroom flats. We identified a single 4-bedroom penthouse apartment unit which was listed for £1,100,000 (£402 psf).
- 4.19 Like the developments identified from the completed transactions, all schemes are located north of Gascoyne Way (A414) and within close proximity of the Town Centre and subject site. These listings are therefore considered to be a reliable indication of the values which could be achieved at Bircherley Green.
- 4.20 The Stable House development continues to have higher-than-average prices / sqft which are again attributed to the smaller sized units. The headline asking prices, ranging from £200,000 - £285,000, are considerably lower when compared to units from other schemes with the same number of bedrooms.
- 4.21 For entirely new-build accommodation, the Railway Street scheme is likely to provide the most reliable indication of what flatted development could prospectively achieve at Bircherley Green. Despite providing highly convenient access to Hertford East train station, we would not expect the location to command a premium upon typical town-centre values. The average asking price at Railway Street equates to £465 psf - £18 psf less than the average value achieved at Barker Court.

Flatted Summary

- 4.22 Our review of new-build flats has identified a number of comparable developments including a mix of entirely new-build schemes, conversions from former commercial uses and permitted developments. All the schemes identified are located north of Gascoyne Way and close to the town centre, therefore providing reliable comparable evidence.

- 4.23 We have relied on the evidence from entirely new-build developments to inform our prospective assumptions on the size of new build flats. This is because the sizes of conversions are more variable and to some extent, will be informed by the layout and footprint of the existing building being converted.
- 4.24 We note that converted flats can achieve a premium upon typical new-build accommodation, however we do not anticipate any that existing buildings currently occupying the Bircherley Green site will remain as part of future schemes.
- 4.25 Table 4-3 below details our assumptions of prospective sales values for different unit types.

Table 4-3 – Prospective Flatted Sales Values

Unit Type	Size (sqm)	Size (sqft)	Sales Values	£ / sqft
1-Bed	50	538	£270,000	£502
2-Bed	70	753	£370,000	£491
3-Bed	86	926	£430,000	£465

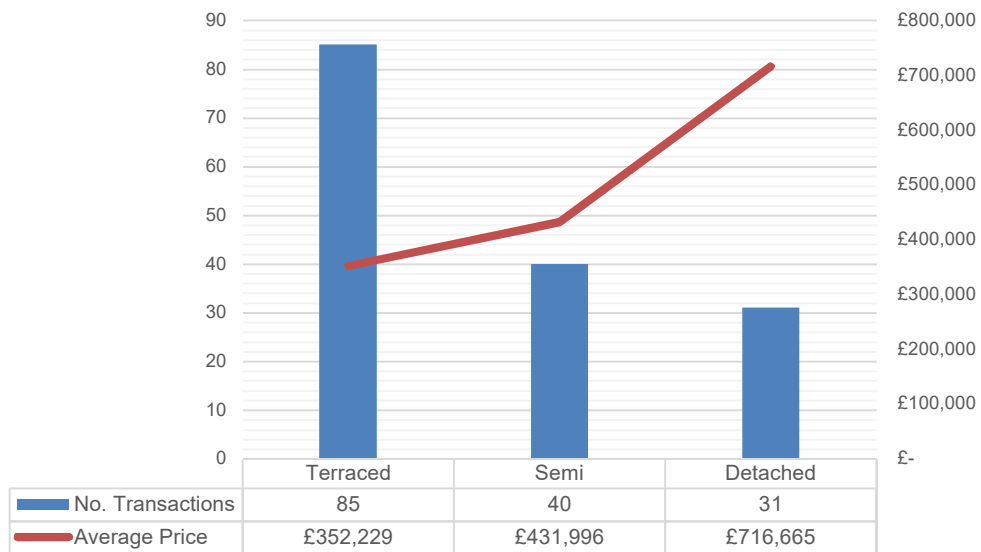
Source: AVL, 2019.

- 4.26 Once the prospective scheme(s) has been developed, we will be able to determine more specific unit prices based on individual characteristics of the units and ancillary development. For example, we would anticipate northerly facing units along the canal / river to achieve a premium upon those facing the commercial areas along the east and western boundaries of the proposal site. Further, the provision of private external space and allocated parking are also likely to influence the final prices adopted. Accordingly, the prices and sizes determined above are subject to change and should be used for indicative purposes only.

Housing

- 4.27 This section considers the housing market in Hertford, incorporating terraced, semi-detached and detached properties within reasonable proximity of the Bircherley Green Site. Figure 4-7 shows the number of housing transactions in Hertford by typology since January 2019 and corresponding average price (across East Herts) as of June 2019. Please note that this data incorporates both new-build and resale values.

Figure 4-7 – Housing Transactions since January 2019



Source: Land Registry, 2019.

4.28 Figure 4-7 indicates that terraced properties are the most popular house type in Hertford, accounting for 55% of all transactions since January 2019. The average price achieved for a terraced house in East Hertfordshire of £352,229 is marginally higher than some of the 1-bedroom new-build flats identified in the previous section, suggesting resale houses are likely to compete in the same price bracket as new-build flats. However, the data above does not consider the size of the units, and a more accurate comparison would be undertaken on a price / sqft basis.

Sold Values

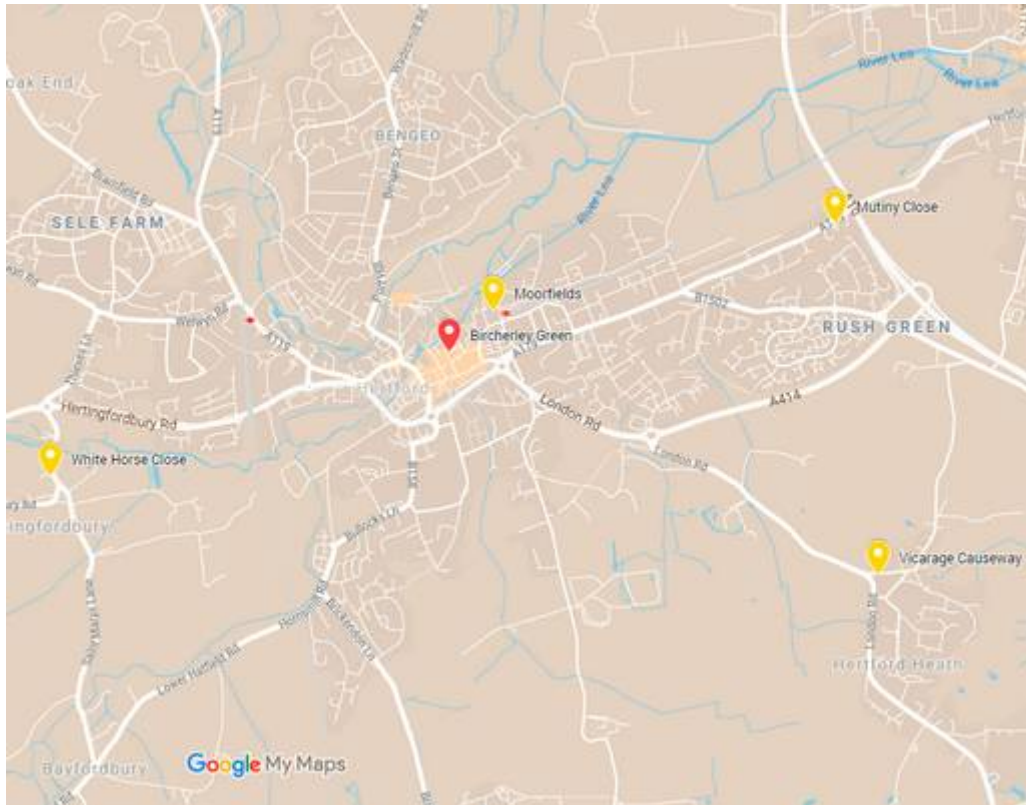
4.29 Table 4-4 shows a summary of the prices recorded on Land Registry for different new-build house types. In total, we identified 17no. transactions in Hertford which completed since January 2017. A full list of the transactions identified can be found in Appendix 2.

Table 4-4 – Land Registry Average Prices by Type

Type	No. Sold	Avg. Size	Avg. Price	Avg. £ / sqft
Terrace	6	2,393	£910,138	£400
Semi	8	1,125	£492,468	£442
Detached	3	1,371	£786,333	£580

Source: Land Registry, 2019.

Figure 4-8 – New Build Housing Locations



Source: Google MyMaps, 2019.

- 4.30 We would typically expect terraced housing to have smaller internal areas and lower prices when compared to semi-detached and detached properties. The elevated average size and price of the terraced properties identified in Table 4-4 is explained by the inclusion of four transactions from the White Horse Close development.
- 4.31 Located approximately 1-mile west of the site, the scheme consists of 8no. 5-bed terraced houses and a single 2-bed apartment. The terraces average internal sizes of c. 2,900 sqft.

Figure 4-9 – White Horse Close





Source: Rightmove, 2019.

- 4.32 As shown in Figure 4-9, the White Horse Close terraces have been finished to an exceptionally high standard. The properties have been designed to appeal to the upper-end of the market by including premium features such as a 32ft open-plan kitchen / diner, granite kitchen worktops, reception room with woodburning stove, dressing rooms accessible from the master bedroom and secure underground parking.
- 4.33 When the White Horse Close properties are removed from consideration, the average size of terraced properties transacted in Hertford decreases to 1,302 sqft. Similarly, the average price decreases to £632,913. However, both the average size and price remain higher than the 8no. semi-detached properties in the sample.
- 4.34 Six of the eight semi-detached transactions were recorded at Mutiny Close, a development of townhouses located within 1.5-miles north-east of the Bircherley Green site. Sales began in late 2017 with the most recent property completing in March 2018. Further details are shown in Figure 4-10 below.

Figure 4-10 – Mutiny Close





Source: OnTheMarket, 2019.

- 4.35 The transactions identified at Mutiny Close were all four-bedroom townhouse-style properties with net internal areas of 1,227 sqft. Properties came with private rear gardens, en-suite bathrooms to master bedrooms and allocated off-street parking for two cars. Prices ranged from £514,950 - £529,950, equating to an average of £428 psf.
- 4.36 There is a distinct difference between the condition, layout and overall quality of the Mutiny Close townhouses compared to the White Horse Close terraces. We would anticipate new build housing at Bircherley Green to achieve vales akin to Mutiny Close. The properties are also considerably smaller and would appeal to a broader market of buyers.
- 4.37 Three detached new-build houses were identified which completed in May / June 2017. These are located on Vicarage Causeway in Hertford Heath, approximately 2 miles south-east of the Bircherley Green site. We were unable to identify any information or particulars to determine the specification or layout of the units.

Figure 4-11 – Vicarage Causeway Properties







Source: Google Maps, 2019.

Asking Prices

4.38 We have also considered asking prices for new-build housing in Hertford to substantiate our findings from the completed transactions. At the time of our assessment (August 2019), there were 8no. houses listed for sale. These are summarised in Table 4-5 below.

Table 4-5 – New Build Housing Asking Prices

Address	Type	Beds	Price	Size	£ / sqft	
Carriage Court	Detached	4	£750,000	n/a	n/a	
		4	£595,000	n/a	n/a	
	Townhouse	4	£575,000	n/a	n/a	
		3	£495,000	n/a	n/a	
Station Court	Townhouse	3	£725,000	1,673	£433	
		4	£750,000	1,798	£417	
The Hertford Brewery	Townhouse	4	£999,950	3,057	£327	
Priory Street	Terraced Mews House	2	£350,000	495	£707	

Source: Rightmove, 2019.

4.39 The majority of current listings are townhouse-style, three-storey terraced or semi-detached dwellings. Of the schemes identified above, we would anticipate that Station Court would provide the most reliable indication for average prices of brand-new build housing at the subject site.

4.40 Carriage Court and The Hertford Brewery are more reliable comparables in determining values for converted housing, having both formerly been commercial uses. However, as identified in our analysis of flatted accommodation, we do not anticipate any of the existing buildings at the Bircherley Green site to be retained for conversion.

Housing Summary

- 4.41 In contrast to our analysis of the flatted schemes, the majority of new-build housing is located further from the subject site and outside of the town centre. This suggests that there is more demand for flatted accommodation in central locations and a preference for housing to be on the periphery of the local centre.
- 4.42 We have relied on the data from brand-new developments to inform our prospective assumptions on the size of new build housing. This is because it is generally more common for existing buildings to be converted into flatted accommodation as opposed to multi-storey houses. Regardless, the suitability of any housing provision at the Bircherley Green site is questioned, as the evidence suggests that there would be more demand for flatted accommodation.
- 4.43 Table 4-6 below details our assumptions of prospective sales values for housing.

Table 4-6 – House Sales Values

Unit Type	Size (sqm)	Size (sqft)	Sales Values	£ / sqft
2-Bed House	79	850	£450,000	£529
3-Bed House	102	1,098	£500,000	£455
4-Bed House	115	1,238	£550,000	£444
5-Bed House	128	1,378	£600,000	£435

Source: AVL, 2019.

- 4.44 As per our flatted value assumptions, the prices and sizes determined in Table 4-6 should be considered as indicative and based on general assumptions from our market research. The provision of private external space and off-street parking is typically expected with all new-build housing which may prove to be unfeasible at the Bircherley Green site. Regardless, should a housing scheme be considered, we will review the values applied above in light of the individual characteristics of the units.

Retirement Accommodation

- 4.45 Our review of new-build accommodation in Hertford has also revealed a number of transactions for retirement properties and housing schemes for the elderly.
- 4.46 The subject site is located adjacent to Bircherley Court, a 70no. unit assisted living scheme built in 2011 and operated by Network Homes. Given this proximity, additional retirement / assisted living facilities may be surplus to requirements at the Bircherley Green site. Regardless, we have briefly considered the potential for retirement

accommodation based on the current demographic in Hertford and responses from retirement operators.

Sold Values

- 4.47 Land Registry has recorded 18no. transactions from a McCarthy & Stone retirement living scheme located approximately half a mile south-west of the subject site, as shown in Figure 4-12 below.

Figure 4-12 – McCarthy & Stone Scheme Location



Source: Google MyMaps, 2019.

- 4.48 The development is split into two separate blocks; Isabella House and Edward House. The former is a retirement living development of 24no. flats available for residents over the age of 60. The latter is a retirement living PLUS (assisted living) facility of 58no. flats for residents over the age of 70.
- 4.49 The residential units within each block are all of similar formats, with minor variations to size and layout subject to the position of the dwelling within the building. They are all finished to a similar standard, with most 2-Bedroom units featuring private balconies.

Figure 4-13 – Typical Isabella & Edward House Floorplans



Source: McCarthy & Stone, 2019.

4.50 Table 4-7 summarises the 18no. transactions recorded at the scheme since 2018.

Table 4-7 – Retirement Flat Transactions

Block	Beds	No. Sales	Avg. Size	Avg. Price	Avg. £ / sqft
Isabella	1	4	565	£356,238	£630
House	2	8	803	£483,344	£602
Edward	1	5	601	£397,490	£661
House	2	1	958	£567,500	£592

Source: Land Registry, 2019.

4.51 Apartments in both blocks sold from June - August 2018, with further phases of development in both blocks currently listed for sale (see following section). One-bedroom flats achieved between £330,000 - £514,950 and two-bedrooms from £369,950 - £567,500. The values achieved varied subject to the size of the units and provision of private outside space.

Asking Prices

4.52 At the time of our report in September 2019, there were 37no. units listed for sale – 35no. at Edward House and the remaining 2no. at Isabella House. The listing prices are summarised in Table 4-8 overleaf.

Table 4-8 – McCarthy & Stone Asking Prices

Block	Beds	No. Listed	Price Range	Avg. Price
Edward House	1	15	£299,950 - £395,000	£360,653
	2	20	£399,950 - £560,000	£517,498
Isabella House	1	1	£374,950	n/a
	2	1	£399,950	n/a

Source: McCarthy & Stone, 2019.

- 4.53 The asking prices are broadly consistent with the values recorded from completed transactions, suggesting demand has remained consistent since the first sales phase.

Retirement Living Summary

- 4.54 Given the proximity of Bircherley Green to the existing Bircherley Court assisted living facility, further accommodation for the elderly may be surplus to requirements in this specific area. However, should there be substantial demand for such housing, we would the prices achieved by the units sold at Edward & Isabella House to provide a strong indication on what prospective values for retirement living accommodation at Bircherley Green.
- 4.55 Accordingly, we anticipate the following prices could be achieved for retirement units at the Bircherley Green site. These are subject to the overall design, specification and additional features / services on-site.

Table 4-9 – Prospective Retirement Living Values

Unit Type	Size (sqm)	Size (sqft)	Sales Values	£ / sqft
1-Bed	50	538	£350,000	£650
2-Bed	70	753	£475,000	£630

Source: AVL, 2019.

- 4.56 We approached a range of retirement living operators to ascertain their requirements and gauge their interest in Hertford. A summary of their responses is summarised in Table 4-10 overleaf.

Table 4-10 – Retirement Living Operator Responses

Operator	Comments
ExtraCare	Delivery model is typically based on sites of over 6 acres which can accommodate in excess of 250 apartments. Bircherley Green therefore not suitable.
Churchill Retirement Living	Confirmed Hertford as a target town amongst others in Hertfordshire, including Hatfield and Welwyn Garden City. Sites are typically 0.4 acres minimum and able to accommodate 35 – 65 1- & 2-bed units.
Raven Audley Court	Site is likely to be of interest, have a minimum capital value threshold of c. £450 psf to meet their build costs.
LNT Care Developments	The site is not suitable for LNT's requirements. Sites are generally a minimum of 1 acre and on the periphery of town centres.
Carebase	Confirmed the site is of potential interest. Typically require 65 – 70 beds divided across 3 or 4 storeys. Plot sizes are typically 1 acre which includes a communal garden.

Source: AVL, 2019.

Residential Summary

4.57 Our residential market assessment has been undertaken to determine the most appropriate typologies which could be provided at the Bircherley Green site along with prospective sizes and values. Our findings are summarised as follows:

- Flatted development is more popular than housing in the town centre. Terraced, semi-detached and detached properties tend to be located on the perimeter of the town centre. If any housing were to be provided, our research suggests the most appropriate and popular form would be 2 or 3-bedroom terraces / mews type houses.
- Agents noted that residential accommodation converted from former commercial spaces was popular in Hertford. Schemes formed from permitted development had been equally as sought-after as brand new-build flats. However, agents did not anticipate that the existing buildings at the Bircherley Green site would be suitable for conversion and anticipated that entirely new-build accommodation would be more attractive.

- Agents noted a higher proportion of young professional buyers seeking flats close to the train station. It was noted that a high number of buyers commute into London and therefore want a property which allows easy access to the train station(s).
- Townhouse style dwellings are also popular in Hertford although generally outside of the town centre. These are generally terraced or semi-detached properties split over three stories and come with private rear gardens and designated parking.
- Several retirement living operators expressed an interest in Hertford with recent sales evidence suggesting flats can achieve between £325,000 - £550,000.

5 Conclusion

- 5.1 This report has considered the market for both commercial and residential property in relation to the Bircherley Green site. Through analysis of supply and demand, we have looked to identify viable opportunities for redevelopment of the site.
- 5.2 Our analysis has shown there to be some demand for commercial property at the site, however the responses from prospective occupiers have generally been cautious. This is particularly relevant in the retail sectors, which our market review indicated are undergoing difficulties. Whilst we have identified a handful of occupiers with interest in Hertford and the Bircherley Green site, the responses were not overwhelmingly in favour of the site's prospects at present.
- 5.3 It is acknowledged that current political uncertainty has contributed to subdued market sentiments, particularly in the comparison and convenience retail sectors. With the precise terms of the UK's withdrawal from the EU still undefined, the ambiguous relationship with the EU has created a new set of longer-term challenges. Retailers will need to give further consideration to the future of trade, imports, supply chains, labour costs, product standards and insurance programmes. Thus, occupier hesitance is not necessarily attributed to the Bircherley Green site in particular, but a generic and seemingly nationwide caution.
- 5.4 Tentative interest was expressed from a number of operators subject to the inclusion of other uses. For example, convenience retailers acknowledged the site would be more favourable if a portion of residential floorspace was to be delivered. Similarly, food and beverage operators are likely to view the site's prospects more positively if a hotel or leisure uses are included which encourage footfall and consumer dwell times.
- 5.5 Other consultations revealed that Hertford is not of interest due to its demographic, and that operators would prefer to establish themselves in larger centres within the district with a greater and more diverse catchment population in order to reduce risk exposure. This was particularly relevant for comparison retail operators, which is a market sector which has been subject to particular difficulty over the past few years.
- 5.6 The overarching trend to the leisure sectors is that consumers are increasingly seeking new experiences and are prioritising this over consumption. Further, leisure operators have attained an increasing responsibility in the vitality of town centres and retail areas as consumers look to combine activities (e.g. shopping with lunch, gym with coffee, leisure activities with nightlife). Thus, there may be some potential to accommodate innovative leisure activities which encourage footfall and dwell time at Bircherley Green, thus improving the site's prospects to other commercial operators.

- 5.7 We have identified potential for leisure operators to occupy the Bircherley Green site; Giggling Squid, a Thai restaurant, confirmed a long-standing interest in Hertford and we also received positive responses from two gym operators. There is unlikely to be interest from a bowling operator at Bircherley Green as the response received indicates that any interest would be subject to the inclusion of a cinema complex on site.
- 5.8 The recommendation from almost all of the commercial sectors was flexibility. This refers to the physical flexibility of units to be able to accommodate various types of units and the potential for operators / occupiers to be transient in the short-term whilst the perception of Bircherley Green is re-established. Further, lease / term flexibility was also encouraged, allowing prospective occupiers to obtain different sizes / types of space for variable amounts of times and on unconventional lease terms (i.e. turnover rents). This was supported in our agent consultations which indicated that favourable occupier terms may be required in the short term in order to re-establish the reputation of Bircherley Green as a prosperous commercial centre.
- 5.9 Hoteliers have also expressed an interest in the site and such a use would also prove encouraging for both leisure and retail operators who could benefit from a transient tourist trade on the site. Requirements are likely to site between 80 – 100 beds and may again encourage other commercial uses to come forward.
- 5.10 In terms of office space, we find that there is unlikely to be sufficient demand to support the provision of a large amount of office floorspace. The market in the area is generally weak, and larger occupiers will typically look to successful business parks elsewhere. This is coupled by the fact that current rents and yields are unlikely to make development or high-quality refurbishment viable. In general, we are of the view that office development presents a significant unknown and there is no guarantee that new space would be occupied if it were provided.
- 5.11 It was proposed by one agent that the most successful type of office-style space could be a business centre / flexible working space which could be used by locally-based businesses. In doing so, it was envisaged it would allow businesses to grow and generate locally-based employment in the town centre, which could then further encourage other ancillary uses (i.e. lunchtime cafes, convenience retail, after work leisure etc.).
- 5.12 Our analysis has shown that there is likely to be a significant opportunity for development of residential uses at the Bircherley Green site. We find that there is demand for flatted accommodation in the town centre. Based on current values, we expect that this use would be viable. Further, residential development is likely to reduce

the concerns and risk expressed by some commercial operators and thus encourage such uses back to the site.

- 5.13 We have also found that there may also be an opportunity to deliver retirement living as part of the masterplan. We have had positive responses from a number of operators who are willing to consider development in this location.

Appendix 1 – Commercial Consultation Summary

Convenience Retail

Company	Brand	Summary
Tesco's	Tesco's	• Not of interest due to existing presence in Hertford
Booker Retail	Budgens	• Typically interested in smaller format stores • 2,000 - 3,000 sqft with 6 - 12 parking spaces • No comment on specific interest in BG site.
	Londis	
Aldi	Aldi	• Aldi have just acquired space at former Which? Office on Gascoyne Way. Considered BG site but not of interest.
Lidl	Lidl	• No reply.
Sainsbury's	Sainsburys	• No reply.
Waitrose	Waitrose	• No reply.
The Co-operative	The Co-operative	• No reply.

Comparison Retail

Company	Brand	Summary
Lakeland	Lakeland	• Comprehensive reply - not of interest due to rise of e-commerce. Grave concerns over the future of retail.
River Island	Mint Velvet	• No requirements in Hertford, too small a market for consideration.
Seasalt	Seasalt	• No requirements in Hertford at present. • Towns in the vicinity which are perceived to be a higher priority. • Interested in hearing how things progress with the site.
Robert Dyas	Robert Dyas	• Passed on enquiry to property team. Awaiting reply.
GCW	Fat Face	• Confirmed that none of their clients hold active requirements for Hertford.
	Paul	
	Superdrug	
	Crew Clothing Co.	
	Waterstones	
White Stuff	White Stuff	• No reply.
CWM	L'Occitane	• No reply.
	Aesop	
	Charles Tyrwhitt	
	Phase Eight	
	Body Shop	
	Waterstones	
	Whittard	
Temptation Gifts	Temptation Gifts	• No reply.
Joules	Joules	• No reply.
Barker Proudlove	Flannels	• No reply.
	Yours Clothing	
	Peacocks	
Colliers	Oliver Bonas	• No reply.
	Sweaty Betty	• No reply.
Savills	Hotter	• No reply.
JD Sport	JD Sport	• No reply.
Mountain Warehouse	Mountain Warehouse	• No reply.
Walgreens Boots Alliance	Boots	• No reply.

Leisure / Fitness

Company	Brand	Summary
The Gym Group	The Gym Group	<ul style="list-style-type: none">• Would consider opening in Hertford• Units of c. 8,000 sqft on one level• Access to 60-70 car parking spaces, free of charge and accessible 24/7• Prominent frontage on busy thoroughfare.
PureGym	PureGym	<ul style="list-style-type: none">• Active requirement for small-box format in Hertford (6 - 8,000 sqft)
Montagu Evans	Hollywood Bowl	<ul style="list-style-type: none">• Agent confirmed that interest would depend on the inclusion of a multiplex cinema.
NRG Gym	NRG Gym	<ul style="list-style-type: none">• No reply.
Clue HQ	Clue HQ	<ul style="list-style-type: none">• No reply.
Escape Hunt	Escape Hunt	<ul style="list-style-type: none">• No reply.
Flight Club	Flight Club	<ul style="list-style-type: none">• No reply.
Whistle Punks	Whistle Punks	<ul style="list-style-type: none">• No reply.
VRX Gaming	VRX Gaming	<ul style="list-style-type: none">• No reply.

Food & Beverage

Company	Brand	Summary
The Restaurant Group	Wagamama	<ul style="list-style-type: none"> Hertford is considered too small for any of their brands.
	Frankie & Benny's	
	Brunning & Price	
	Chiquito	
	Coast to Coast	
	Firejacks	
	Garfunkel's	
	Joes Kitchen	
Giggling Squid	Giggling Squid	<ul style="list-style-type: none"> Hertford is of interest, has been in consideration for a while but wanted to avoid changing nature of units on Fore St. Replied to ascertain specific requirements.
Fullers	Fullers	<ul style="list-style-type: none"> Location within a retail centre is not of interest, would prefer a site with large outside space.
Greene King	Greene King	<ul style="list-style-type: none"> Greene King are not currently considering town centre sites.
Colliers	Slug & Lettuce	<ul style="list-style-type: none"> Stonegate (owner of S&L) announced its intention to buy Ei Group PLC. Focus is likely to be on merging the businesses as opposed to single site acquisitions. Generally speaking, they are looking for shell condition sites with large capital contributions.
MKR Property	Cote Brasserie	<ul style="list-style-type: none"> No reply.
	GBK	
	Honest Burgers	
Leith & Andrews	Black Sheep Coffee	<ul style="list-style-type: none"> No reply.
Mitchells & Butlers	Mitchells & Butlers	<ul style="list-style-type: none"> No reply.
DMR Property	Nando's	<ul style="list-style-type: none"> No reply.
Cote Restaurants	Cote Restaurants	<ul style="list-style-type: none"> No reply.
Patisserie Valerie	Patisserie Valerie	<ul style="list-style-type: none"> No reply.
Carluccio's	Carlucci's	<ul style="list-style-type: none"> No reply.
Casual Dining Group	Café Rouge	<ul style="list-style-type: none"> No reply.
	Bella Italia	
	Las Iguanas	
Montagu Evans	La Tasca	<ul style="list-style-type: none"> No reply.

Hotel

Company	Brand	Summary
Wright Silverwood	Travelodge	<ul style="list-style-type: none">• Confirmed requirements for a 95 bed hotel with bar & café• Would be interested in acquiring a lease interest at the BG site• Requested to be updated as plans progress
EJ Hales	Moxy Hotels	<ul style="list-style-type: none">• Insufficient market demand for Moxy Hotel in Hertford• Generally require 150 - 226 rooms in major city centres or tourist locations• Freehold or long leasehold purchases. No leasehold sites.• All sites re new-build
Accor	Ibis	<ul style="list-style-type: none">• No reply.
EasyHotel	EasyHotel	<ul style="list-style-type: none">• No reply.

Retirement Living / Care Homes

Company	Summary
Carebase	<ul style="list-style-type: none"> • Site is of potential interest • Would typically require anywhere from 65 - 70 beds • Divided across 3 / 4 storeys • Typically 1 acre plot including garden space.
Churchills	<ul style="list-style-type: none"> • Confirmed the site is of interest • Sites which can accommodate 25 - 65 1 and 2 bed apartments typically of interest • Regular shape between 0.4 - 2 acres • With or without planning permission • Within half a mile of shops or amenities
ExtraCare	<ul style="list-style-type: none"> • ExtraCare model is based on 250+ apartments over 6 acre site.
Raven Audley Court Retirement Villages	<ul style="list-style-type: none"> • Looking into the site, would need values of c. £450 psf to be viable given construction costs.
LNT Care Developments	<ul style="list-style-type: none"> • Site not suitable; LNT have 3 set layouts, none of which cannot be accommodated at BG site • Generally require a min of 1 acre which is level & regular shape • In or on periphery of towns and settlements with min, population of 10,000 • Good transport links • Easy access to local amenities • No conversions or extensions
Castleoak	<ul style="list-style-type: none"> • No reply.
Barchester	<ul style="list-style-type: none"> • No reply.
McCarthy and Stone	<ul style="list-style-type: none"> • No reply.
Bupa Care Homes	<ul style="list-style-type: none"> • No reply.
Castlemead	<ul style="list-style-type: none"> • No reply.
Audley Retirement Living	<ul style="list-style-type: none"> • No reply.

Appendix 2 – Residential Comparable Data

New Build Flatted Transactions

Address		Date Sold	Beds	Price	SQM	SQFT	Price / SQFT
1	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	28/06/2018		£ 364,950	53	570	£ 639.72
11	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	23/07/2018		£ 360,000	53	570	£ 631.04
15	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	10/08/2018		£ 330,000	51	549	£ 601.14
17	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	29/06/2018		£ 510,450	73	786	£ 649.62
18	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	29/06/2018		£ 517,950	77	829	£ 624.92
19	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	13/07/2018		£ 523,450	77	829	£ 631.56
20	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	03/08/2018		£ 425,000	77	829	£ 512.78
22	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	03/08/2018		£ 509,950	72	775	£ 658.00
23	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	03/08/2018		£ 520,000	72	775	£ 670.97
4	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	29/06/2018		£ 369,950	72	775	£ 477.35
5	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	13/07/2018		£ 370,000	53	570	£ 648.57
9	ISABELLA HOUSE HALE ROAD HERTFORD SG13 8EN	17/08/2018		£ 490,000	77	829	£ 591.20
10	EDWARD HOUSE PEGS LANE HERTFORD SG13 8FQ	30/08/2018		£ 380,000	54	581	£ 653.76
16	EDWARD HOUSE PEGS LANE HERTFORD SG13 8FQ	31/08/2018		£ 362,500	59	635	£ 570.80
24	EDWARD HOUSE PEGS LANE HERTFORD SG13 8FQ	28/08/2018		£ 355,000	54	581	£ 610.75
37	EDWARD HOUSE PEGS LANE HERTFORD SG13 8FQ	28/08/2018		£ 375,000	54	581	£ 645.16
56	EDWARD HOUSE PEGS LANE HERTFORD SG13 8FQ	29/08/2018		£ 567,500	89	958	£ 592.39
8	EDWARD HOUSE PEGS LANE HERTFORD SG13 8FQ	31/08/2018		£ 514,950	58	624	£ 824.83
3	STABLE HOUSE PRIORY STREET HERTFORD SG14 1FP	14/12/2018		£ 300,000	46	495	£ 605.89
6	STABLE HOUSE PRIORY STREET HERTFORD SG14 1FP	18/01/2019		£ 200,000	25	269	£ 743.22
5	STABLE HOUSE PRIORY STREET HERTFORD SG14 1FP	12/04/2019		£ 293,000	45	484	£ 604.90
1	BARKER COURT MILL ROAD HERTFORD SG14 1GF	04/07/2018	2	£ 318,000	60	646	£ 492.39
12	BARKER COURT MILL ROAD HERTFORD SG14 1GF	06/07/2018	2	£ 400,000	77	829	£ 482.61
13	BARKER COURT MILL ROAD HERTFORD SG14 1GF	15/06/2018	2	£ 495,000	97	1,044	£ 474.09
2	BARKER COURT MILL ROAD HERTFORD SG14 1GF	28/09/2018	2	£ 330,000	63	678	£ 486.63
3	BARKER COURT MILL ROAD HERTFORD SG14 1GF	17/08/2018	2	£ 328,000	62	667	£ 491.49
4	BARKER COURT MILL ROAD HERTFORD SG14 1GF	13/02/2019	2	£ 365,875	69	743	£ 492.62
5	BARKER COURT MILL ROAD HERTFORD SG14 1GF	11/12/2018	2	£ 325,000	67	721	£ 450.65
6	BARKER COURT MILL ROAD HERTFORD SG14 1GF	28/09/2018	2	£ 370,000	70	753	£ 491.06
7	BARKER COURT MILL ROAD HERTFORD SG14 1GF	16/07/2018	2	£ 350,000	68	732	£ 478.18
8	BARKER COURT MILL ROAD HERTFORD SG14 1GF	03/08/2018	2	£ 400,000	77	829	£ 482.61
9	BARKER COURT MILL ROAD HERTFORD SG14 1GF	26/11/2018	2	£ 352,000	67	721	£ 488.09
FLAT 5	MEDIA HOUSE 40 WARE ROAD HERTFORD SG13 7AB	17/03/2017		£ 490,000	94	1,012	£ 484.28

FLAT 1	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	14/09/2017		£ 473,000	83	893	£	529.44
FLAT 10	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	09/06/2017		£ 480,000	95	1,023	£	469.40
FLAT 11	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	10/03/2017		£ 480,000	88	947	£	506.74
FLAT 12	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	24/03/2017		£ 480,000	94	1,012	£	474.40
FLAT 14	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	12/07/2017		£ 475,000	94	1,012	£	469.46
FLAT 2	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	16/12/2016		£ 480,000	105	1,130	£	424.70
FLAT 3	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	16/12/2016		£ 490,000	107	1,152	£	425.44
FLAT 6	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	16/12/2016		£ 320,000	52	560	£	571.71
FLAT 7	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	07/04/2017		£ 480,000	90	969	£	495.48
FLAT 8	MEDIA HOUSE, 40	WARE ROAD	HERTFORD	SG13 7AB	20/06/2017		£ 465,000	90	969	£	480.00
FLAT 1	QUEEN ALEXANDRA HOUSE, 2	BLUECOATS AVENUE	HERTFORD	SG14 1PB	17/05/2017	1	£ 265,000	43	463	£	572.54
FLAT 3	QUEEN ALEXANDRA HOUSE, 2	BLUECOATS AVENUE	HERTFORD	SG14 1PB	28/04/2017	1	£ 295,000	48	517	£	570.97
FLAT 5	QUEEN ALEXANDRA HOUSE, 2	BLUECOATS AVENUE	HERTFORD	SG14 1PB	26/05/2017	1	£ 375,000	48	517	£	725.81

New Build House Transactions

Address		Type	Date	SQM	SQFT	Price	£ / SQFT
3	MOORFIELDS HERTFORD SG14 1FJ	Terrace	23/11/2018	158	1,701	£ 820,825	£ 482.64
7A	NORTH ROAD HERTFORD SG14 1LN	Terrace	22/11/2018	84	904	£ 445,000	£ 492.16
2	WHITE HORSE CLOSE HERTFORD SG14 2FJ	Terrace	18/12/2018	273	2,939	£ 940,000	£ 319.89
4	WHITE HORSE CLOSE HERTFORD SG14 2FJ	Terrace	19/10/2018	273	2,939	£ 1,040,000	£ 353.92
6	WHITE HORSE CLOSE HERTFORD SG14 2FJ	Terrace	14/03/2019	273	2,939	£ 1,045,000	£ 355.62
9	WHITE HORSE CLOSE HERTFORD SG14 2FJ	Terrace	20/12/2018	273	2,939	£ 1,170,000	£ 398.16
1	MUTINY CLOSE HERTFORD SG13 7AS	Semi	13/12/2017	114	1,227	£ 529,950	£ 431.88
2	MUTINY CLOSE HERTFORD SG13 7AS	Semi	16/03/2018	114	1,227	£ 514,995	£ 419.69
13	MUTINY CLOSE HERTFORD SG13 7AS	Semi	08/12/2017	114	1,227	£ 529,950	£ 431.88
14	MUTINY CLOSE HERTFORD SG13 7AS	Semi	08/12/2017	114	1,227	£ 529,950	£ 431.88
15	MUTINY CLOSE HERTFORD SG13 7AS	Semi	15/12/2017	114	1,227	£ 514,950	£ 419.65
16	MUTINY CLOSE HERTFORD SG13 7AS	Semi	24/11/2017	114	1,227	£ 529,950	£ 431.88
23	LONDON ROAD HERTFORD SG13 7RL	Semi	20/12/2017	76	818	£ 395,000	£ 482.85
23A	LONDON ROAD HERTFORD SG13 7RL	Semi	15/12/2017	76	818	£ 395,000	£ 482.85
10	VICARAGE CAUSEWAY HERTFORD HEATH SG13 7RT	Detached	26/05/2017	152	1,636	£ 850,000	£ 519.52
12	VICARAGE CAUSEWAY HERTFORD HEATH SG13 7RT	Detached	06/06/2017	115	1,238	£ 755,000	£ 609.93
14	VICARAGE CAUSEWAY HERTFORD HEATH SG13 7RT	Detached	12/05/2017	115	1,238	£ 754,000	£ 609.12

New Build Retirement Living Transactions

Address		Date Sold	Beds	Price	SQM	SQFT	£ / SQFT
10	EDWARD HOUSE HERTFORD SG13 8FQ	30/08/2018	1	£ 380,000	54	581.3	£ 653.76
16	EDWARD HOUSE HERTFORD SG13 8FQ	31/08/2018	1	£ 362,500	59	635.1	£ 570.80
24	EDWARD HOUSE HERTFORD SG13 8FQ	28/08/2018	1	£ 355,000	54	581.3	£ 610.75
37	EDWARD HOUSE HERTFORD SG13 8FQ	28/08/2018	1	£ 375,000	54	581.3	£ 645.16
8	EDWARD HOUSE HERTFORD SG13 8FQ	31/08/2018	2	£ 514,950	58	624.3	£ 824.83
56	EDWARD HOUSE HERTFORD SG13 8FQ	29/08/2018	2	£ 567,500	89	958	£ 592.39
1	ISABELLA HOUSE HERTFORD SG13 8EN	28/06/2018	1	£ 364,950	53	570.5	£ 639.72
11	ISABELLA HOUSE HERTFORD SG13 8EN	23/07/2018	1	£ 360,000	53	570.5	£ 631.04
15	ISABELLA HOUSE HERTFORD SG13 8EN	10/08/2018	1	£ 330,000	51	549	£ 601.14
5	ISABELLA HOUSE HERTFORD SG13 8EN	13/07/2018	1	£ 370,000	53	570.5	£ 648.57
17	ISABELLA HOUSE HERTFORD SG13 8EN	29/06/2018	2	£ 510,450	73	785.8	£ 649.62
18	ISABELLA HOUSE HERTFORD SG13 8EN	29/06/2018	2	£ 517,950	77	828.8	£ 624.92
19	ISABELLA HOUSE HERTFORD SG13 8EN	13/07/2018	2	£ 523,450	77	828.8	£ 631.56
20	ISABELLA HOUSE HERTFORD SG13 8EN	03/08/2018	2	£ 425,000	77	828.8	£ 512.78
22	ISABELLA HOUSE HERTFORD SG13 8EN	03/08/2018	2	£ 509,950	72	775	£ 658.00
23	ISABELLA HOUSE HERTFORD SG13 8EN	03/08/2018	2	£ 520,000	72	775	£ 670.97
4	ISABELLA HOUSE HERTFORD SG13 8EN	29/06/2018	2	£ 369,950	72	775	£ 477.35
9	ISABELLA HOUSE HERTFORD SG13 8EN	17/08/2018	2	£ 490,000	77	828.8	£ 591.20

New Build Retirement Living Asking Prices

					Beds	Price
Address						
25	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 375,000
4	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 374,950
5	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 364,950
12	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 385,000
14	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 374,950
15	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 299,950
17	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 355,000
26	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 355,000
27	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 355,000
28	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 355,000
29	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 355,000
30	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 355,000
39	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 355,000
40	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 355,000
11	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	1	£ 395,000
18	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 399,950
33	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 525,000
49	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 505,000
7	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 510,000
23	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 505,000
21	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 525,000
22	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 525,000
36	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 505,000
31	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 505,000
32	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 525,000
34	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 525,000
35	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 525,000
44	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 515,000
46	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 525,000
47	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 525,000
51	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 560,000
52	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 535,000
53	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 540,000
54	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 530,000
55	EDWARD HOUSE	PEGS LANE	HERTFORD	SG13 8FQ	2	£ 540,000
13	ISABELLA HOUSE	HALE ROAD	HERTFORD	SG13 8EN	1	£ 374,950
2	ISABELLA HOUSE	HALE ROAD	HERTFORD	SG13 8EN	2	£ 399,950