

Warminster Central Car Park Feasibility Study

Warminster Central Car Park has been identified as a key focus for town centre regeneration. The Warminster Town Plan (2012) / Core Strategy / Neighbourhood Plan all envisage a new retail development on the Central Car Park site.

Local stakeholders including the Area Board and the Town Council have asked whether new development and a reconfiguration of the public owned land and premises in this area could generate sufficient value to enable investment in new community and leisure facilities for the town.

Wiltshire Council commissioned PER Consulting, working in association with urban designers - Place Dynamix to prepare a feasibility study to determine suitable development options and to advise Wiltshire Council on the most appropriate way forward to secure a high quality development in light of current market conditions and other constraints. The work has been led by the Economic Regeneration Service and conducted in consultation with other public sector stakeholders under the One Public Estate Programme.



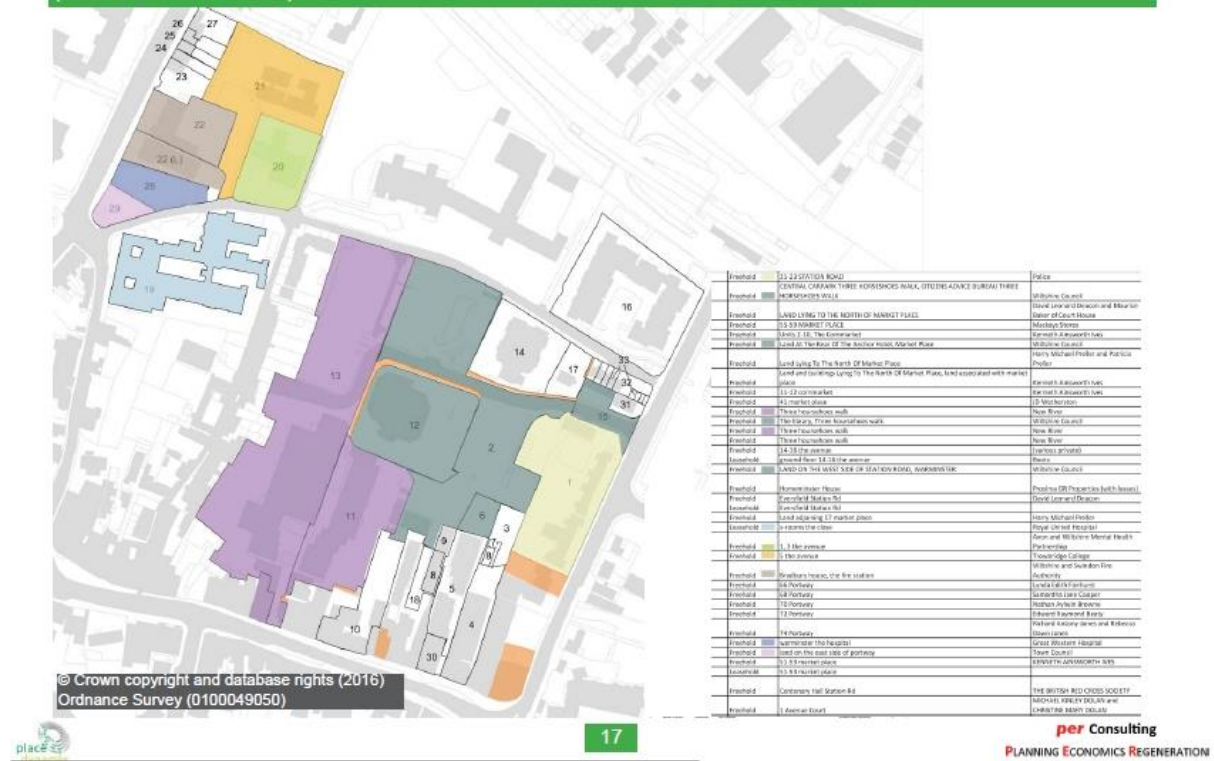
Detailed feasibility and viability testing were undertaken to consider the options for regeneration of the area and the challenges and opportunities for future development.

A large number of stakeholders have been consulted during this work with the three primary landowners at the core; Wiltshire Council, Swindon & Wiltshire Police Authority and New River Retail. One Wiltshire Estate partners have been consulted to establish the extent to which wider regeneration and redevelopment opportunities can be linked. Local stakeholders including the Town Council, Wiltshire Councillors and members of the original campus board were consulted on their aspirations and objectives for the area as well as their local knowledge.

Feasibility Study

Warminster Central Car Park has a mix of land ownerships and provides service access to the retail operations in Three Horseshoes Walk and The Cornmarket and accommodates the town Library and Tourist Information Centre.

Fig. 19: Site Ownership Plan
(Source: Wiltshire Council)



Work included a town centre car park occupancy study; a review of Wiltshire Council land titles; consultation with neighbouring land owners and internal stakeholders on the development principles for the site.

The issues to be addressed in considering future development potential include:

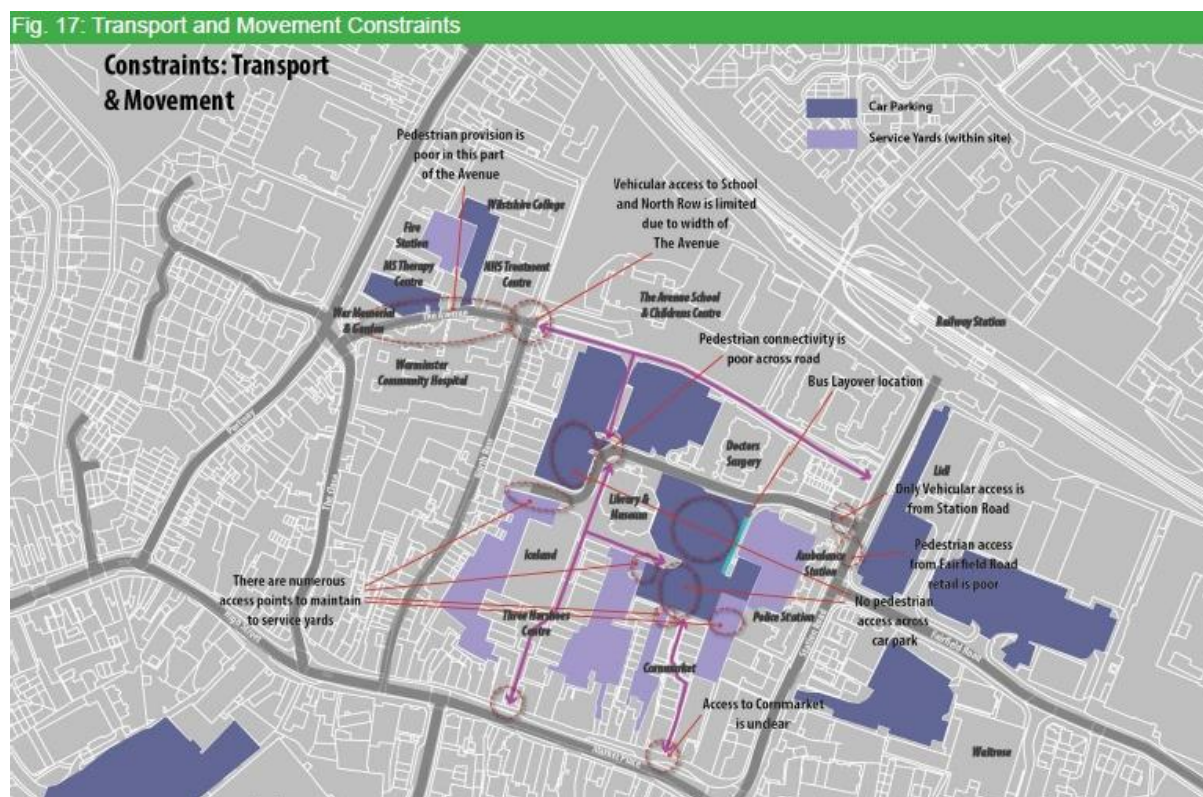
- The need to maintain town centre car parking whilst also addressing additional development needs;
- The implications of different land ownerships, rights of way and restrictive covenants attached to the land;
- Potential for land assembly and consolidation of the public estate;
- Viability of new development and inclusion of high quality urban design/public realm enhancing linkages to the rest of the town centre;
- Investor interest and potential return on investment;
- The implications for the wider public estate and uses around the site.

Site constraints and opportunities

An analysis of planning policy, urban design, transport and movement, infrastructure and land ownership to establish the development parameters to inform options was undertaken.

The public sector estate to the north west of the Central Car Park area is independent of the two areas from a redevelopment perspective and therefore does lend itself to site assembly.

The site is constrained by a number of rights of way and restrictive covenants. These have been mapped and reviewed in detail. The title for the Central Car Park has been cleansed to incorporate previously unregistered land.



Market context

- Nationally most retail operators have been shrinking their physical retail portfolio, with only the 'discount' brands expanding.
- The core town centre of Warminster appears to perform well, with a relatively low vacancy rate and a good mix of uses meeting local needs.
- Higher order retail provision is being met by larger town centres nearby which places the focus in Warminster on the discount market.
- Any new development has to be 'occupier' driven given the challenges across the retail sector and the focus on regional centres for many prime retailers.
- The Central Car Park has the potential to provide larger floorplate units and could attract traditional out-of-town operators within a town centre location – however, free car parking is likely to be a critical requirement of retailers.

New River Retail (NRR) provided commentary from their perspective. In their opinion retail development is in a difficult place currently. Well-known names, both UK and US owned, are consolidating or contracting rather than expanding their number of outlets. Schemes which have been in development for some time are finding that prospective occupying tenants are either pulling out or asking for huge concessions to proceed.

Stores such as Marks and Spencer are showing little appetite to expand and the market is equally tough for the value retailers, reflected by the contraction of brands like Poundland and Poundworld. The food and beverage sector has felt a sharp downturn in recent months.

NRR feel that Warminster will currently struggle to attract further big name brands, because of its population size. There is no obvious market space to be filled. New housing development or a large employer relocating to the area could catalyse investment in the future.

NRR themselves are not a developer but doubt that any would risk money on speculative investment without anchor tenants in place for a new retail scheme. The principle of further development in Warminster with potential tenants is kept open but their appetite is substantially lower now than it was 12 months ago.

Viability of new development

Uses that could complement a retail-led mixed use scheme include commercial leisure, commercial office space and residential use. There is thought to be scope to attract commercial leisure operators (eg commercial gym) to a well-designed mixed use development and to focus part of the development area towards residential uses. The demand for new office space is considered to be limited.

Moving the library from its current location would enable a more cohesive redevelopment, maximising space for new commercial use and associated car parking. However, replacing the library on a 'like for like' basis would be challenging, as estimated land values do not fully meet the calculated costs for developing a new space.

The scale of retail development that can be delivered is relatively modest due to the site constraints and the need to retain a reasonable amount of parking. It is anticipated that market incentives may be necessary to attract tenants. This could limit commercial values and therefore has implications for the delivery of public realm enhancements.

A new 'bus facility' on the site will be a challenge for viability due to reducing land available for commercial redevelopment and given the relatively low retail values involved.

The Police Station could be redeveloped for primarily residential but is not particularly dependent on Council owned land to do so.

Redevelopment of the Car Park would result in loss of revenue income to the Council. Any potential land scale would have to consider the current value (circa £40k per annum)

Conclusions

A viable development proposal will be dependent on future market conditions and commercial appetite for investment.

The analysis contained in the feasibility study has highlighted the sensitivity in the retail market and the need for a more cautious development approach. This has implications for some of the ambitions contained in the Neighbourhood Plan (Approved November 2016). Commercial margins are very tight and great care will be needed to manage expectations in terms of design and public realm contributions to ensure viability.

The feasibility study has also shown that a development approach is possible which will minimise land acquisition costs and enable a degree of independence between development phases. There is little need for land assembly, albeit a coordinated delivery strategy in conjunction with the principal landowners would improve deliverability.

Potential developer interest for the retail element has been tested and has confirmed that at the present time market conditions are not favourable for a retail-led scheme due to a current lack of occupier interest and investors.

The values that could be realised from the release of Council owned land would not cover the costs of substantial new community facilities. The values that could be realised from the redevelopment of the Police Station/Ambulance site could be reasonably significant.

Other options that could be considered for funding such facilities are:

- Community Infrastructure Levy (CIL) – the Town Council retains 25% of CIL as result of having an approved Neighbourhood Plan. With 900+ homes planned for development over the next ten years for Warminster and an average CIL income of circa £3,000 there is a fairly significant opportunity.
- Section 106 agreements related to new development could be linked to town centre improvements.

There is potential for longer term opportunities for the public sector estate in central Warminster. Wiltshire Council will continue its engagement through the One Wiltshire Estate partnership to share the findings of the feasibility study with key stakeholders and collaborate on bringing forward future opportunities.