

APPENDIX 1 – ITEM 5.01 – 4/03763/14/MFA – IMAGE DEVELOPMENT

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Lambert Smith Hampton
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St Albans
Hertfordshire
AL1 3AW

3rd June 2015

Mr. Saxon Izatt
Dandara

Our Ref: SA/CM

Subject to Contract
& Without Prejudice

Dear Saxon,

Re: Retail Units, 3-7 The Galleries, Hemel Hempstead = Proposed Change of Use

As you are aware, Lambert Smith Hampton have been marketing these units for some considerable time, both pre and post-completion (2010). Unfortunately despite a marketing campaign, we have had very little success. The feedback we have received has been very negative, my observations are as follows:

- Hemel Hempstead has been struggling to attract occupiers to the main Marlowes and Riverside shopping centres. Riverside was completed in 2005; the scheme is still not fully let. A recent survey from the Riverside to the end of the Marlowes showed there are 27 unlet units. All experiencing significantly greater footfall.
- Mainstream or multinational brands will not consider moving to The Galleries as it is detached from the main shopping areas and simply does not have the footfall.
- Footfall at The Galleries is also deemed too low to be a viable proposition to local occupiers. A footfall survey undertaken by the applicant at the request of the case officer on 02 June 2015 showed the following results:

Podium:

10am-11am: 34 people

12am – 1:30pm: 177 people

Riverside:

10am-11am: 597 people

12am – 1:30pm: 1,492 people

- The Galleries is linked with the town centre via a footbridge. This is a barrier. Disabled people and parents with small children or buggies need to use lifts to access the podium level.
- Each unit benefits from a car parking space as per the original consent but this has not assisted with the attractiveness of the units.
- Due to proximity to town centre, there is no market to establish a 'local centre' as the local centre is in the town itself, illustrated by Tesco Express leasing a unit at 187 Marlowes.
- On-street parking in the vicinity is practically non-existent, with Station Road changing to 'double yellow lined' within the last year.
- Deliveries are via The Cotterells. All deliveries need to be undertaken via a lift to podium level then outside across the podium to individual units.

- Very limited interest, with those "edge of centre" retailers who expressed some interest, inevitably lacking funding for fit-out or unable to supply proof of sufficient funding.
- The scheme is competitively priced at £16 per sq ft overall with other incentives offered.
- Recent comparable evidence is as follows, but not one of these occupiers looked at The Galleries:

Address	Tenant	Size (Sqft)	Rent	Rent (psf)	Lease terms	Lease Start	Quality/Location
185a Marlowes	Millets	2,000	£45,000	£22.50	10 years / 5 year break	Nov 2014	Prime
Riverside Shopping Centre Unit 5B	Pandora	1,600	£1,200	£32	10 year lease	Spring 2015	Prime
246 Marlowes	Red Frog Kids	795	£25,500	£32.08	5 year lease	Apr 2015	Prime
207 Marlowes	Salvation Army	1,789	£31,000	£17.33	10 year lease	Aug 2014	Prime
10 Bridge Street	No 10 Grooming Room	762	£17,000	£22.31	10 year lease	Nov 2014	Secondary
140 Marlowes	Private	872	£19,500	£22.36	5 year lease	Jan 2014	Secondary
14-18 Lawn Lane	Private	955	£15,250	£15.97	20 year lease	Apr 2015	Secondary

- I attach a link to the current available retail units at the neighbouring Riverside shopping centre. The quoting rents are in the region of £40 per sq ft, highlighting the competitiveness of the £16 quoting rent at the Galleries: <http://www.aql-london.co.uk/en/in-town-retail/143.html>.
- The opening of Jarman Park with its many food and leisure offers is probably the last straw. Jarman Park can offer accessibility and plentiful free car parking. This scheme has taken demand and it will affect the food operators already in the town centre. I predict we will see voids in the town centre as a consequence of this scheme.

It is my view that Dandara are left with no option but to seek a change of use.

Kind regards,

Yours sincerely



Claire L Madden BSc (Hons) MRICS
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Enc:

APPENDIX 2

Our Ref: PAW/kb

3rd June 2015

J Richards Esq
Dandara Limited
KD Tower
Cotteralls
Hemel Hempstead
Hertfordshire HP1 1FW

By Email Only:
jrichards@dandara.com

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freeth**

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Dear John

KD TOWER – RETAIL UNITS

Following on from recent discussions, I thought it would be sensible for me to put in writing my thoughts as to the remaining retail units based at the KD Tower.

As you are aware, I work for Brasier Freeth who are based in Hemel Hempstead and I have been involved in many retail transactions within Hemel Hempstead over a number of years.

As you are no doubt aware, there have been a number of vacant units within the Marlowes, Riverside and The Marlowes Shopping Centre over the last few years. Currently, Brasier Freeth are involved with units from 800sq.ft rising to 7,600sq.ft. The most popular size being around 1,000sq.ft. Some of these units, although occupied on a temporary basis (pay no rent but cover business rates), have been available in excess of three years which demonstrates how slow the retail market has been within Hemel Hempstead.

The units at the KD Tower cannot be compared with retail in the Marlowes for obvious reasons. These are as follows:-

1. Footfall for the KD Tower is almost non-existent. Although the KD Tower is supposedly linked to the Marlowes, the bridge stops short of the main Marlowes shopping area, where indeed you have to cross a bus lane without the aid of some form of pedestrian crossing. It is not a natural flow. Shoppers also have a choice, they can use the subway which then deviates them away totally from the central Plaza.
2. Servicing the units in the Plaza is extremely difficult to do so. All stock has to be transported by a cage and lift. I was involved previously with the marketing of these units and speaking with major retailers such as Co-op, Morrisons and Tesco, all found this set up unacceptable. Indeed, Tesco's did in fact take a unit at 187 Marlowes in preference to the KD Tower.

Hemel Hempstead Watford Welwyn Garden City

Brasier Freeth is the trading name of Brasier Freeth LLP, a Limited Liability Partnership, registered in England and Wales No. OC311811. Registered Office: The Courtyard, 77-79 Marlowes, Hemel Hempstead, Hertfordshire HP1 1FF. Regulated by RICS



3. **Exposure.** Retail in the Piazza is totally hidden from Station Road and the Leighton Buzzard Road. Although windows do face the Leighton Buzzard Road, they are not at ground level and any passing traffic wishing to stop are unable to do so as there are no public car parks close by. By the time you park in either Riverside, Marlowes or Waterside, the walk back to the Piazza is not viable.
4. **Size of Units.** I note that you are looking for a possible change of use on Units 4 to 7, Unit 4 being 2,443sq.ft and Units 5-7 being 2,855sq.ft. These units are too large to be supported by the KD Tower alone. As an example, in December 2014 I let 185 Marlowes (between Tesco and WH Smith) comprising approximately 3,300sq.ft to Milllets. This unit benefits from good footfall and benefitted from previous occupation which means that the cost of fit-out would be vastly reduced from taking on a shell. This unit had been empty for in excess of three years and the terms agreed were only for a five year term certain. I understand that you have also marketed on the basis that these units can be sub-divided as per my previous points and without footfall they are simply not viable for a retail use.

You should also be aware that I have been marketing 245 Marlowes which is located opposite Next, adjacent to Riverside and a few doors away from Marks & Spencer. This unit has been vacant since Blockbuster went into administration (approximately two years), benefits from a key footfall position and is still vacant. I have been involved in discussions with major A3 users but now Jarman Park has been refurbished, I think it is most unlikely that we will attract any substantial covenant due to the ease of visiting the establishments at Jarman Park. Those of course benefit from free car parking, Tesco, The XC and the Empire Cinema complex. This will act as a major magnet to draw people away from Hemel Hempstead town centre out of normal retail hours.

Finally, the two units that are occupied in the Piazza are an Estate Agents and Insurance office, both operating under an A2 User Class Order. These businesses should not be considered as retail as I am sure a major part is done via the Internet and I would consider them to be retail by appointment only. I think that this clearly demonstrates the difficulty in finding tenants/occupiers for the remaining empty units, which can certainly be substantiated by the fact it has taken nearly ten years to let the final remaining vacant unit at Riverside. This of course does not take into account units which have previously been occupied and where trading has ceased which includes Oojams.

Should you wish to discuss any of the above, please do not hesitate to contact me.

Kind regards,

Yours sincerely

A large black rectangular redaction box covering the signature of Philip A Walker.

PHILIP A WALKER
Direct Line: 01442 298809
Email: philip.walker@braslerfreeth.com

APPENDIX 3

Wagamamas

From: sharon cawthorne [mailto:sharonc@wagamama.com]

Sent: 04 October 2010 15:01

To: Martin Brown

Subject: Thursday 14th Oct

Thank you for your kind invitation to attend the preview

Unfortunately I am unable to attend

Regards

Sharon

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Frankie and Benny's

-----Original Message-----

From: Madden Claire [mailto:CMadden@lsh.co.uk]

Sent: 09 February 2011 14:43

To: Martin Brown; Jim Brunt

Subject: Restaurant requirement

Martin / Jim

The attached requirement has been ongoing in Hemel for some time. Nathan categorically tells me that this is an out of town format and The Galleries will not be considered. They want to be at a redeveloped Jarman Park. Frustrating.

Claire

CLAIRE MADDEN MRICS

Director

Lambert Smith Hampton

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01727 896262

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View footage from the LSH Ski Challenge 2011

Pharmacy interest

From: Jill Hughes [mailto: [REDACTED]]

Sent: 21 March 2011 18:27

To: Martin Brown

Subject: Re: The Galleries, Hemel Hempstead

Dear Martin

My application has been rejected as the PNA states Herts does not need anymore Pharmacies in Herts, unfortunately. So I will not be progressing at this stage.

Many Thanks

Jill Hughes

Anytime Gyms

From: Chris January <Chris.January@bidwells.co.uk>

To: Madden Claire

Sent: Mon Aug 01 09:56:21 2011

Subject: RE: Snap Fitness

Many thanks however unlikely to be of interest as Anytime Gyms have agreed a deal on the retail scheme. If any different will get back to you

Regards

Chris

Cotswold Outdoor

From: Steve Teuten [mailto:steve.teuten@cotswoldoutdoor.com]

Sent: 21 February 2012 13:08

To: Martin Brown

Subject: RE: Hemel Hempstead retail locations

Martin

No burning requirement for Hemel but thanks for the thought

regards

Steve Teuten

Property & Acquisitions Manager

Cotswold Outdoor Ltd,

Unit 11, Kemble Business Park,

Crudwell,

Malmesbury,

Wiltshire.

SN16 9SH

www.cotswoldoutdoor.com

Tel 01666 575597

From: Martin Brown [mailto:MBrown@dandara.com]

Sent: 10 February 2012 09:53

To: Steve Teuten

Cc: Jim Brunt

Subject: Hemel Hempstead retail locations

Dear Steve,

I noticed your advert in the Property Week magazine and wanted to know if Hemel Hempstead was a location of interest to you? I work for Dandara, a property development company that has recently finished an iconic mixed-use development on the edge of the town centre, adjacent to Debenhams, Starbucks and within a short walk of M&S, Top Shop, Primark etc. We have the capability of offering you a retail space of circa 3,000sqft with high visibility to the town centre and passing traffic in brand new surroundings.

If the location is of interest in principle I would be happy to email you more information about the opportunity in due course.

Regards,

Martin

Martin Brown MEng (Hons) MScRealEst

Orchid properties

From: Matthew Bennett [mailto:Matthew@orchidproperties.co.uk]

Sent: 10 January 2013 14:38

To: Martin Brown

Subject: RE: contact details

Hi Martin

Happy New Year to you too. I had a good Christmas thank you, hope you did too.

Thank you for your follow up email, I am going to hold fire at the moment due I am unsure how this year may go so need to be cautious.

I will however get back in touch in due course, if it is of interest to me again.

Thanks again for your time.

Kind Regards,

Matthew

Matthew Bennett

Founder & Director

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W: www.orchidproperties.co.uk

Café

From: Barbara Prearo [mailto:████████████████████]

Sent: 06 March 2015 21:50

To: Saxon Izatt

Subject: RE: Meeting 10th of March

Hi Saxon

I am sorry but i need to cancel the appointment on the 10th of March. We need to do more research about the location we are worried that there is not enough footfallwe will keep checking all this month. I will keep in touch

Barbara

APPENDIX 4

From: Peter Keenan [mailto:pkeen@peterbrett.com]

Sent: 01 June 2015 17:46

To: Heather Overhead

Subject: RE: Informal advice

Heather

...

In respect of your second query, see below a comment from a colleague:

'From a quick desktop exercise (letting evidence from Focus below) the rent of £16 psf does appear high.

Event Date	Building	Size SqFt	Achieved Rent (£ per Sq Ft)	Asking Rent (£ per Sq Ft)	Tenant
30/04/2015	246 Marlowes	795	£32	£31	Red Frog Kids Ltd
17/04/2015	14-18 Lawn Lane	955	£16	£18	Mrs F Laskar
20/02/2015	127 -145 Marlowes	1,640	Not disclosed	£13	2 Hair Salon
01/02/2015	Marlowes Shopping Centre	220	Not disclosed	£68	Cinnamon Caf�� Ltd
05/01/2015	Jarman Retail Park	14,840	£11	£8	The Gym
01/01/2015	160 Marlowes	4,677	£9	Not Disclosed	Oilly's Bar
01/01/2015	Marlowes Shopping Centre	4,972	Not disclosed	£22	The Entertainer Group
15/12/2014	168 Marlowes	847	£22	£28	Treadshire Limited
01/12/2014	Jarman Retail Park	1,255	£30	£91	Subway
15/11/2014	185-185a Marlowes	3,444	£12	£19	Blacks Outdoor Retail Ltd t/a Millets Ltd
01/11/2014	Hamilton House	1,107	£11	£11	Mr B Kurt
01/08/2014	38 The Square	366	Not disclosed	£29	UNeak Bowtique
01/08/2014	207 Marlowes	1,789	£17	Not Disclosed	Salvation Army
27/06/2014	Fletcher Way Garage	6,300	£11	£12	An undisclosed tenant
18/06/2014	142 Marlowes	763	£28	Not Disclosed	Clements Estate Agents Ltd
16/06/2014	Marlowes Shopping Centre	899	Not disclosed	£33	Perfume Shop
01/04/2014	140 Marlowes	872	£22	£22	Mrs S Osinaike
03/02/2014	17 Queensway	289	Not disclosed	£42	Curry Leaf
24/12/2013	18-22 Bridge Street	4,500	£7	Not Disclosed	Dreams Ltd

23/12/2013	16 Bridge Street	1,065	£13	£17	L C Furniture & Electrical Ltd
15/10/2013	Riverside	4,939	Not disclosed	£13	Roman Originals Retail Ltd
31/05/2013	The White House	499	£22	Not Disclosed	BBNJ Limited (Travel Decorum)
30/05/2013	9 Marlowes	1,526	£10	Not Disclosed	Blueberry Hospitality Limited
01/03/2013	65 High Street	495	Not disclosed	£19	Kasbah Moroccan Restaurant
01/03/2013	67 Marlowes	1,302	£9	£15	An undisclosed tenant
20/02/2013	170 Marlowes	914	£33	£38	Cafe Roastino
01/02/2013	Hemel Hempstead Gateway Hotel	935	£20	£21	Subway

Reducing the rent further may attract tenants, although this may not guarantee a successful letting given the site is a poor retail location and has to compete with the existing second-hand vacant retail space along Marlowes and Bridge Street. A quick look on Focus.co.uk shows there are around 21 units currently being advertised in these locations therefore the quantum of competition cannot be ignored. Furthermore reducing the rent to attract 'any tenant' may achieve an initial letting but may set the wrong tone to attract other tenants into the development.

Finally the developer may claim that they have a floor capital value (rent x yield) they need to achieve, letting the space to a poor covenant at a very low rent would be economically unviable to do so.

These are just are observations for our desktop look. So on the face of it, yes, the rent does look on the high side but there are other aspects to consider why the space has not let.

I hope this helps

Peter

From: Heather Overhead [<mailto:Heather.Overhead@dacorum.gov.uk>]

Sent: 01 June 2015 11:35

To: Peter Keenan

Subject: Informal advice

Dear Peter,

I hope all is well with you. I was wondering if you I could ask you for some informal advice on two separate matters, however if you don't feel able to provide informal advice about either then I will understand.

...

The other matter is related to a planning application that was deferred at the last planning committee meeting. The application is to change the use of 4 retail units (ranging in size from 227sqm to 269 sqm) to residential use. The units were built as part of a development of 455 apartments in 2010 known as the Image development, which used to be the Kodak tower, and is on the edge of the town centre as shown on the attached plan (the town centre is to the north east of the site). The application was deferred as the committee did not have enough information to determine whether the retail units had been sufficiently marketed. They were marketed at £16/sq ft, and we were wondering if you would be able to give us an opinion about whether that is a reasonable rate to charge for retail units in this location.

I really appreciate your help with these queries,

Kind Regards

Heather Overhead

Assistant Team Leader

Strategic Planning and Regeneration

Dacorum Borough Council

01442 228083

Working hours: Tuesday - Friday

CIL is Coming:

From the 1st July 2015, the way we collect financial contributions from new homes and shops towards infrastructure will change with the introduction of a new Community Infrastructure Levy (CIL). In order to calculate any CIL Charges we will require the submission of a CIL Additional Information Form with all planning applications from the 4th May 2015. Find out CIL may affect you at www.dacorum.gov.uk/cil