

SOUTH OXHEY INITIATIVE

APPENDIX 10B **RETAIL LETTINGS STRATEGY**

Notes:

To be read in conjunction with the Land Acquisition Strategy

2 December 2015

1 Retail Proposals

- 1.1 The Development Agreement defines the minimum area requirements for the Foodstore and other Commercial Units – see Minimum Requirements.
- 1.2 The Developer's retail proposals for the Development comprises the following elements:

Location	Area sq. ft
Food store (Block P/Q)	18,452
Retail (Phase 1B)	22,300
Retail (Phase 2A – Northern Parcel)	8,344
Retail (Phase 3A – Central Parcel)	6,578
Retail Total	55,674

- 1.3 It is noted that the above floor areas may be subject to revision in accordance with the provisions set out at cl. 40 of the Development Agreement.
- 1.4 The Council has not prescribed a figure for the number of units it requires the Developer to accommodate in the new scheme but for guidance anticipates between 25 and 35 Commercial Units will be provided, in addition to the foodstore.
- 1.5 Therefore it should be assumed that of the 62 existing tenants at least half will not be accommodated within the new scheme.

2 Retail Uses and Mix

- 2.1 The Developer has committed to deliver Commercial Units, which incorporate a wide range of retail use classes; including A1 Shops, A2 Financial & Professional Services, A3 Restaurants and Cafes, A4 Drinking Establishments, A5 Hot Food Takeaway and D1 Non-residential institutions.
- 2.2 It is the Developer's intention to firstly market the Commercial Units to existing retailers within the Core Site and then subsequently to operators not currently represented within South Oxhey. The Development shall ultimately comprise a mixture of local independent businesses and national multiples such that South Oxhey will function as a vibrant district centre.

Specification

- 2.3 The Developer shall ensure that the Commercial Units will be constructed to shell condition with capped services at appropriate locations. The internal dividing walls will be constructed later in the phase specific programme in order to offer flexibility in terms of Commercial Unit size.
- 2.4 During the marketing period all frontages of completed stock units will be animated with imagery and branding to assist marketing and secure tenants.

Anchor Food Store

- 2.5 The Developer has committed to deliver an anchor Food Store of at least 18,000 sq ft GIA.
- 2.6 The Food Store will provide a range of food and beverage lines to serve the local community. It may incorporate a delicatessen, meat counter, fish counter and bakery. The Food Store will also be permitted to sell alcohol subject to obtaining relevant licences.
- 2.7 The Food Store will not be permitted to provide a pharmacy function which the Council and Developer have agreed will be provided for elsewhere within the Development.
- 2.8 The Food Store will be permitted to have dedicated car parking but with provision for at least 2 hours free parking to allow users to access other services within South Oxhey.

Other Commercial Units

- 2.9 The proposed new units will be sized according to market demand and will comprise a range of units starting from circa 650 sq ft and suitable for relocation tenants as well as new tenants. The actual sizes will not be determined until formal marketing of each relevant phase has occurred and engagement has taken place with existing businesses.
- 2.10 A number of Restaurant & Café (A3), Drinking Establishments (A4) and Hot Food Takeaway (A5) units will be incorporated into the Development to help enliven Market Square and Station Approach. Key design considerations will relate to constructing a kitchen extract flue to the roof, internal ventilated plantrooms and internal bin stores.

Retail Uses

- 2.11 The Council and the Developer have agreed that the Development will comprise a mixture of local independent retailers and national multiples.
- 2.12 The Developer will use reasonable endeavours to secure the following Essential Uses as part of the District Centre:
- Pharmacy
 - Post office and/or bank
 - Newsagent
 - Dental Surgery
 - Bakery
 - Hair & Beauty Salon
 - Citizens Advice Bureau
- 2.13 The Essential Uses set out within paragraph 2.12 shall be subject to ongoing review between the parties to respond to both market requirements and the Council's land assembly responsibilities.
- 2.14 The provisions of paragraph 2.12 shall be without prejudice to the Developer's requirement to achieve satisfactory commercial terms for each unit.
- 2.15 The Developer will, at all times, be in open dialogue with the Council in regards to the selection of retail and commercial operators. The Developer and Council will regularly assemble to discuss the emerging Tenant mix and ensure that a complementary offer is being created.

Market Square

- 2.16 In addition to the creation of a permanent quantum of retail space, the Developer will work with the Council to facilitate the retention of the weekly market and a series of themed events to populate the Market Square throughout the year.
- 2.17 The Developer will prepare a community engagement programme to ensure that the public realm space is well utilised by the community.

Station Approach

- 2.18 The Developer and the Council have agreed that Station Approach should be incorporated into the Development such that not only the retail element is improved but a fully landscaped and redesigned station forecourt is created.
- 2.19 The agreed design approach is to create a highly accessible space to be activated and evolved through the creation of a dynamic and adaptable public realm bounded on at least two sides by retail (A1), restaurants, cafes (A3) and bars (A4).
- 2.20 Key design principles include providing Commercial Units with attractive frontages, the provision of increased cycle parking and the inclusion of a shared surface to connect Station Square with the proposed Market Square.
- 2.21 The Developer shall prepare detailed design proposals for this area through consultation with relevant third party stakeholders including National Grid, Network Rail and Hertfordshire County Council.
- 2.22 The Council shall review opportunities to help facilitate an early development of the Station Approach area. Further details are provided in the Land Acquisition Strategy.

Innovative solutions to be incorporated to future proof South Oxhey's retail offer

- 2.23 Technology is influencing and determining consumer spending habits; the movement is described as Researching Online and Purchasing Offline (ROPO) and should be adopted as standard practice in this development.
- 2.24 'Click & Collect' provides flexibility to suit individual purchasing habits as well as reliable, expert product advice and knowledge, in order for retailers to sustain their position in the market, the traditional store is not just about bricks and mortar.
- 2.25 One way of encouraging mobile purchasing and 'Click & Collect' would be the inclusion of free mobile Wi-Fi hotspots as part of the South Oxhey scheme, which the Developer has agreed to explore.
- 2.26 The Developer intends to locate an Amazon Locker or similar Parcel Pickup system at South Oxhey so that consumers can pick up their parcel at a time that is convenient.
- 2.27 The Developer will also seek to incorporate other future developments in retail technology as they become available during the course of the development.

3 Letting and Marketing

Accommodating existing businesses within the project

- 3.1 At a time to be agreed with the Council, the Developer will commence an open and full dialogue with the existing retailers within the Core Site.
- 3.2 The Developer will enter this dialogue with existing retailers prior to marketing the Commercial Units more widely.
- 3.3 The Council has made no commitments to existing retailers with regard to any preferential terms for occupying the new scheme.
- 3.4 The Developer shall therefore be permitted to market all of the new Commercial Units at a Market Rent¹, save where it chooses to offer lower rental levels at its discretion.
- 3.5 In order to assist the Council in its discussions with existing retailers, the Developer will maintain a schedule of Commercial Units available within the Development. This schedule will be updated and presented to the Council on a quarterly basis or in accordance with a timetable that the parties may agree.
- 3.6 The schedule will include details of the size and configuration of each available retail unit, the proposed leasehold terms and any user restrictions imposed under the planning permission.
- 3.7 Further details as to the means the Developer shall employ to assist the Council with decanting existing retail tenants are provided within the Land Acquisition Strategy.

¹ As defined by the RICS Valuation - Professional Standards January 2014

Branding and Marketing Collateral

- 3.8 The Developer will devise a high quality marketing brand for South Oxhey as a mixed-use development, which in turn will be used to promote the scheme.
- 3.9 The mixed-use brand will be utilised during the construction period to brand the Site Hoarding. Additionally, Agent marketing boards will be erected to attract and inform potential tenants of the emerging opportunity.
- 3.10 The Developer intends to utilise a combination of niche and national professional property agents to cover all sectors.
- 3.11 A bespoke Commercial Marketing Brochure will be created, printed and mailed to a targeted list of potential occupiers and property agents. The Marketing Brochure will also be available as an electronic PDF brochure from the Developer's Appointed Letting Agents and, if considered appropriate a dedicated scheme website. Said website will provide all the required information to allow an occupier to make an informed decision in regards to the commercial space.
- 3.12 The Developer will also utilise advertising online within the following property websites, such as EG Property Link, Commercial Route, Commercial Property Register, Shop Property, Nova Loca, Focus, Rightmove and Appointed Agents Websites.

