
To: Business, Economy and Enterprise Scrutiny Board (3)

17 December 2014

Subject: Progress with occupiers for City Centre South and Friargate

1 Purpose of the Note

- 1.1 The purpose of this note is to provide an overview of negotiations with occupiers for both the City Centre South Scheme and the Friargate scheme.

2 Recommendations

- 2.1 The briefing note is for information only and no recommendation is sought.

3 Information/Background

The Friargate Scheme and the City Centre South Scheme are important in securing a paradigm shift in the economy of the City. Both schemes are, therefore by their nature ambitious and of regional and national importance. The Friargate scheme has outline permission for 3million sqft of office led development and compliments the City Centre South scheme which has outline permission for 560,000 sqft of retail led development. The schemes are linked to each other and the rail station with newly created infrastructure including a boulevard and bridge deck forming a pedestrian friendly route to the city centre from the station.

- 3.1 At present work is being undertaken on the bridge deck and demolitions have commenced at Friargate to accommodate both the new boulevard and the new Council building. Negotiations are underway with a number of further tenants including the RICS for space in the scheme. At present the most advanced negotiations are in respect of the second building where as was previously announced the RICS have agreed heads of terms for their UK operational headquarters. There has been interest from the market in the scheme and negotiations are underway with a potential second tenant for the second building which would potentially mean that the second building could be completed towards the end of 2017.
- 3.2 The marketing for Friargate is due to start in earnest once initial works are completed in May and the scheme has more legibility but it is highly encouraging that already the team is engaging with 25 enquiries from private companies whose size requirements range from 10,000 sqft to 200,000 sqft and whose overall space requirement amounts to over 1.8million sqft. Enquiries have also been received from a hotel operator to provide a 150 bed hotel adjacent to the station.
- 3.3 The City Centre South Scheme is being worked up currently by the Councils preferred developers, Queensberry Real Estate who are both conducting negotiations with tenants and refining their scheme. It is intended that this will be reported back to Cabinet and

Council early in the New Year but initial indications from the retailers and restaurants are good with interest in the anchor store which is over 100,000 sqft and a number of the other larger units of up to 30,000sqft. The developer is also in negotiations with a cinema operator.

- 3.4 The report will confirm the occupier interest and will confirm the next steps in delivering the scheme.

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