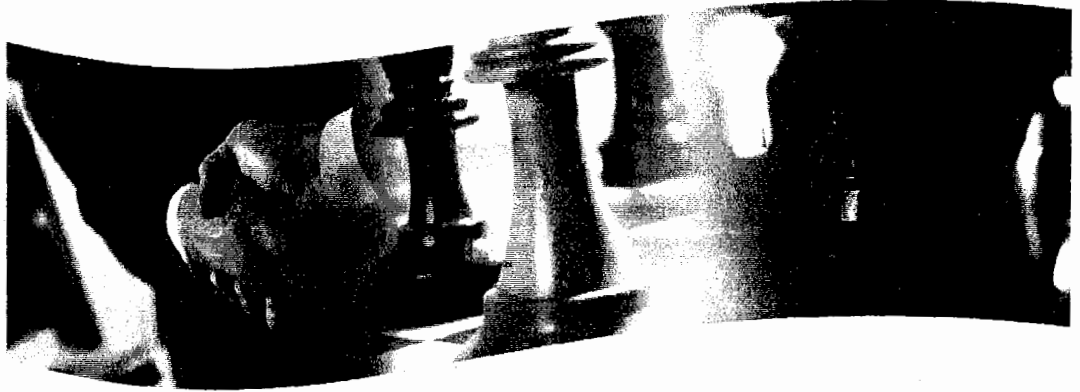


11 December 2000



FEASIBILITY STUDY

Queens Market Green Street, Newham

On behalf of The London Borough of Newham

Executive Summary

Throughout our extensive discussions with the London Borough of Newham it is clear that there are a number of ambitions with regard to the future of the Queen Street site as follows:

- a) Establish the market as a vibrant and thriving retail offer within the core hierarchy.
- b) Make the market a vibrant centre of activity with a safe and secure environment.
- c) Establish a wide variety of shops, services and catering facilities.
- d) Establish new reasons for shoppers to visit the market extending dwell time of those who already use the market and increase spending by shoppers.
- e) Develop and identity for Queens Market which will establish the site as one of the premier retailing locations in the London Borough of Newham.

An extensive survey has been carried out of both customers and retail occupiers within the development providing a valuable insight into trading conditions and operational issues.

Representatives of the Green Street Partnership have attended regular review meetings held between the council and the consultants Weatherall, Green and Smith throughout the feasibility study period.

Over 43% of all parties interviewed under the public questionnaire expressed specific dissatisfaction with the built environment.

An overview of both the public and occupier surveys clearly indicates that the lack of amenities and the poor trading environment is currently having a real impact upon Queens Market.

37% of shopkeepers and 42.5% of market traders endorsed an improved management regime/commercially operated market.

The overwhelming majority of tenants understood the underlying problems relating to Queens Market and there was a clear mandate for change.

51.5% of the market traders endorsed nighttime security and the incorporation of gates to restrict access to the market area during non-trading hours.

All of the options proposed for redevelopment allow either for the continued management of Queens Market by the London Borough of Newham or for the management contract to be placed with an external organisation.

All of the proposed schemes incorporate improved pedestrian access to Upton Park tube station and traffic calming measures to encourage a safe and secure pedestrian environment.

All schemes incorporate new street furniture, lighting and areas of planting to enhance the frontage and create a user-friendly environment, eliminating the existing “blind areas” with full lines of sight into the new public squares.

A number of the tenants and licensees had constructive and worthwhile suggestions for improvements to the Queens Market site that have been incorporated within the various proposed schemes.

The preferred development options meet and address all of the requirements of both occupiers and the local authority/interested groups enhancing the residual value of the land holding whilst simultaneously ensuring the retention and continued success of the market itself.

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Consultants Brief for Queens Market

Following the invitation to tender issued in September 2000, Weatherall Green & Smith has been appointed on behalf of the London Borough of Newham to prepare a Feasibility Study in relation to Queens Market, Green Street, Newham.

1.1 INTRODUCTION

Weatherall Green & Smith has in turn utilised a team of sub-consultants who have assisted with preparation of this report providing, where necessary, detailed specialist skills and assisting with the interpretation of the various schemes that have been drawn up to revitalise Queens Market in order to create a thriving mixed use area in keeping with the traditions of Queens Market itself.

Whilst Weatherall Green & Smith has acted as lead consultants throughout this entire project a summary of the background and experience of each of the contributing parties is set out as follows:

1.2 Weatherall Green & Smith

Weatherall Green & Smith is one of the leading firms of chartered surveyors and international property consultants. The Practice offers a fully integrated property service from eight offices within the United Kingdom and, through the Weatherall International alliance, over 60 offices in key commercial centres worldwide including the United States of America and throughout the Asia Pacific regions.

Weatherall Green & Smith now has a wide-ranging client base acting for international companies and individuals, banks and financial institutions, private companies, public sector corporations and governmental departments.

The full range of property services includes:

- 1 Property investment
- 2 Agency and brokerage
- 3 Property management
- 4 Valuation and real estate appraisal
- 5 Building and project consultancy
- 6 Corporate real estate
- 7 Specialist markets

Development Consultants:

Michael Sudlow BSc
Urban Estate Management, ARICS

Victoria Reader BSc (Hons)
Urban Estate Management, ARICS

Agency:

Gareth Holland BSc (Hons)
Urban Estate Management

Neil Castro BSc (Hons)
Urban Estate Management

Charles Maxlow-Tomlinson
BSc (Hons) Valuation &
Estate Management, ARICS

Planning Consultants:

Anthony Collins ARICS, DIP, TP, MRTCI,
MEWI, MILT

Pravin Patel ARICS
Planning & Development Division, MTPI,

Building Surveyor/
Quantity Surveyor:

Richard Oakley FRICS

1.3 Architects

Hamilton Associates

Since its foundation in 1966 Hamilton Associates has grown into one of the largest architectural firms in the UK renowned for its expertise within the office, industrial, retail, residential and leisure fields.

Some of their key past instructions includes The Arena, Bracknell, for Helical Bar plc; the Fulham Broadway mixed use development for Pillar Properties; the Gemini Business Park, Warrington, for the Easter Development Group; the Shopping City, Wood Green, for Capital & Regional Properties and the Winchester city centre mixed use development for Thornfield Properties.

a. Market Consultants

Urban Space Management Limited

We have invited Urban Space Management (USM) to act as consultants to Weatherall Green & Smith in relation to their specific expertise within the management and operation of street markets.

USM have also been involved in the formation and management of markets, craft workshops, visitor attractions and mixed Arts/Cultural Enterprises (ACE) since the early 1970s.

Schemes within which USM has been involved and/or continue to run include Spitalfields, the City of London; Bishopsgate Goods Yard; Camden Lock; Merton Abbey Mills; Platform 12, Kings Cross; Greenwich Market; Elephant & Castle Shopping Centre; Sneinton Market Square, Nottingham; Swindon Market Hall and Gabriel's Wharf.

1.5 Description of the Queens Market area

The commission relates to an area of 1.97 hectares immediately to the south of Upton Park underground station.

Green Street in itself can best be described as a localised retail and residential area which, whilst subsidiary to the central retail core, provides a mixture of housing, offices and retail/A3 users with a number of mainstream high street retailers being represented within the immediate vicinity.

Queens Market itself consists of a street market with market stalls and shop units below a roof car park with a sheltered housing block (Hamara Ghar) over. **(Appendix 1: Background Information s.A.)**

Green Street is described as one of the most **“dynamic and colourful areas in the UK. It lies at the heart of the east end in one of the most ethnically diverse boroughs in the whole of Europe. It is an area bustling with activity. Green Street is the borough’s third largest shopping centre and its role has changed considerably since the 1970s. The centre has developed a dual role as a district shopping centre for local people and a specialist Asian shopping centre serving a sub-regional catchment area”**

The commercial core of Green Street has been subject to the Green Street SRB programme, which has been in existence since 1985. The programme aims to:

“Improve the Green Street area by encouraging sustainable growth as a specialist retail centre in an attractive and safe environment; to enhance the education and skills of local people”.

- 1 As of the date of this report the SRB programme is within its sixth year and “has been responsible for a variety of projects that had a significant impact on the locality”.

1.6 Objectives of the study

In accordance with the **Consultants Brief for Queens Market** the objectives of the study are principally to provide the council with a series of “alternative development options” for Queens Market.

During the past five years the market has received investment through a limited refurbishment programme, which included the installation of CCTV cameras and new canopies fronting onto Green Street. **(see Appendix 1: Background Information s.B)**

Nevertheless it is now recognised that **“it has become evident that the long term viability of the market will be dependant upon a considerable injection of funding. It is within this context that the council wishes to examine potential redevelopment options for the market and its surrounding environs”.**

The stated objectives of the study as set out within the Consultants Brief are as follows:

- 1 To provide the council with a series of alternative development options for Queens Market. The range of options should cover a series of differing schemes of development although the retention of the sheltered housing block, Harmara Ghar, is a precondition of any proposed scheme of redevelopment.
- 2 Each proposed option must include the following information:
 - i) the identification of all development constraints;
 - ii) an outline financial analysis including all development costs (including any CPO costs) and any other financial implications such as leaseback and joint venture options and the loss of revenue to the council;
 - iii) recommendation of a potential development partner;

- iv) a full risk analysis.

1.7 Terms of reference

Over and above the requirements of the Consultants Brief for Queens Market itself the team has considered in detail how the site should be treated in the future in order to achieve certain key objectives. These objectives can be summarised as follows:

- 1 To secure the long term future of Queens Market
- 2 To consider the manner in which the market could be better integrated within Green Street's retail core
- 3 To provide a living environment, which has a broad spread of occupiers and uses to revitalise the area.

The main aim of this report therefore, having taken into account both consultations with the London Borough of Newham council officers and an extensive range of consultations with interested parties is to provide a plan that will implement a range of improvements. **(see Appendix 1: Background Information s.B)**

To achieve a new revitalised Queens Market area, five development options have been identified for consideration and a preferred option has been recommended as a way forward. In the course of achieving this ultimate recommendation the report has specifically addressed the following issues:

- a) The current trading performance of both Queens Market and the adjoining retail units
- b) The potential for improvement of Queens Market in terms of retail turnover, rental levels and as a shopping destination
- c) A scheme for physical alteration and improvements to the current built environment to achieve the objectives costed and evaluated where appropriate
- d) A realistic and deliverable plan for implementation of the recommended option

This report therefore explains in detail the overall approach to this exercise describes the investigation process and discusses the various options before making the ultimate recommendation for the implementation of a scheme of redevelopment.

2.0 METHODOLOGY AND APPROACH — NW 2000

In providing the series of alternative development options Weatherall Green & Smith has recognised that there is a chain of inter-relationships between parties who have an interest within the Queens Market area and the outcome of any chosen scheme of refurbishment/redevelopment will have a significant impact upon the nature of those current relationships.

It has been clearly established by the London Borough of Newham that the consultants remit is to create a new invigorated environment, which will address the perceived problems in relation to the existing Queens Market development whilst simultaneously protecting and ultimately enhancing the investment value of the London Borough of Newham's holding.

There are a number of challenges that currently face this important area within Green Street and the future of the market itself is, at best, uncertain. The market traders themselves are fully aware that Queens Market has deteriorated significantly in terms of its image, retail offer and asset value.

Throughout our extensive discussions with the London Borough of Newham and individual council officers, it is clear that there are a number of ambitions with regard to the future of the market as follows:

- 1 **Establish the market as a vibrant and thriving retail offer within the core hierarchy**
- 2 **Make the market a vibrant centre of activity with a safe and secure environment**
- 3 **Establish a wide variety of shops, services and catering facilities**
- 4 **Establish new reasons for shoppers to visit the market extending the dwell time of those who already use the market and increasing spending by shoppers**
- 5 **Develop an identity for Queens Market, which will establish it as one of the premier retailing locations within the London Borough of Newham**

In order therefore to provide a structured approach to the study the main body of the report is divided into three sections as follows:

- a) Audits: Information gathering and analysis
- b) Options: Alternative development strategies
- c) Recommendations: A preferred option

Local commercial property agents

The purpose of these consultations was to establish demand for new accommodation and to provide an overview with regard to current market conditions.

Notwithstanding an extensive telephone survey, as a result of these consultations three distinct groups of individuals were approached as follows:

1 **A3 retailers**

Multiple A3 occupiers who might consider new accommodation with the scheme
(see Appendix 1: Background Information s.E).

Multiple retail occupiers who might consider accommodation within the new scheme
(see Appendix 1: Background Information s.F).

Commercial property agents within the local catchment area.
(see Appendix 1: Background Information s.G).

Public questionnaire

An extensive series of interviews was carried out with members of the public shopping within Queen Street Market. **(see Appendix 2: Market Traders Interviews s.6)**

The consultation process has enabled the consultants to assess both the present position and understand how the future of the market is perceived whilst simultaneously canvassing the opinion of other interested parties where appropriate on suitable forms of development that will achieve those objectives.

4.0 RETAIL AUDIT

4.1 Introduction

Within the following pages the results of the various surveys undertaken are analysed as follows:

- 1 Stall traders. (Appendix 2: Market Traders Interviews s.2)**
- 2 Shop traders. (Appendix 2: Market Traders Interviews s.3)**
- 3 Stall/shop traders combined.**
- 4 Public questionnaire. (Appendix 2: Market Traders Interviews s.6)**

The statistical information resulting from each of those surveys is summarised as follows and illustrated graphically within **Appendix 2: Market Traders Interviews s.7, 8 and 9)**

4.2 *Stalls statistics*

4.21 Occupiers by trade:

Fruit & vegetable:	11	29.7%
Bakery:	1	2.7%
Fashion jewellery:	4	10.8%
Underwear:	1	2.7%
Toiletries:	2	5.4%
Confectionery:	1	2.7%
Haberdashery:	7	18.9%
Watches:	1	2.7%
Ornaments:	1	2.7%
Food:	2	5.4%
Cosmetics:	1	2.7%
Footwear:	2	5.4%
Flowers and plants:	1	2.7%
Household goods:	1	2.7%
Butcher:	1	2.7%
Total	37	100%

Total number of employees

Incl. Market trader/owner of stall: 68

4.22 **During the last 12 months has your trading been:**

About the same?	18.9%
Improved?	2.7%
Got worse?	78.3%

4.23 Reasons why there have been changes:

Ongoing building works	10.5%
Crime/lack of security	31.5%
No organised parking regime	4.5%
Insufficient WC facilities	18.0%
Drug abuse	4.5%
Internal competition between stall holders	6.0%
Poor overall environment	19.5%
No market inspector	4.5%

4.24 Layout of the market

Do you think that it would be a good idea to have specialist areas within the market (for example, food stalls grouped together)?

Yes	35%
No	65%

Would you consider relocation as an improved layout?

Yes	38%
No	62%

4.25 Customer profile

Would you say that the majority of your customers were regulars?

Yes	82.5%
No	17.5%

Are they mainly:

Under 16?	2.0%
Young adult?	16.0%
25-45?	41.0%
46-60?	28.0%
Retired?	13.0%

4.26 Improvements to the market

Do you have any suggestions for improvements to the market in general?

Redevelop/refurbish the market	40.0%
Improve management/ commercially operate the market	42.5%
Night-time security, incorporate gates to secure market at night	51.5%
Improve WC facilities	43.0%

Of those who were invited to express particular comments or concerns:

Improve cleaning of market	53.5%
Greater variety of stalls	8.5%
Improve maintenance	26.0%
Improve security	21.7%

4.27 Do you have any changes planned for your business over the next two years?

No plans to develop business	76.0%
Increase business	21.0%
Get smaller	3.0%

4.3 *Shop statistics*

4.31 Occupiers by trade

Fruit & vegetable:	1	2.5%
Toiletries:	3	7.5%
Confectionary:	2	5%
Haberdashery:	2	5%
Optician:	1	2.5%
Hairdresser:	1	2.5%
Ornaments:	1	2.5%
Furniture:	1	2.5%
Food:	3	7.5%
Toys:	1	2.5%
DIY:	1	2.5%
Turf Accountant:	2	5%
Household & Electrical goods:	3	7.5%
Butcher:	7	17.5%
Records:	1	2.5%
Newsagents/cards:	3	7.5%
Clothing:	5	12.5%
Takeaway/fast food:	2	5%
Total		100%

Total number of employees

Incl. Market trader/owner of stall: 91

4.32 **During the last 12 months has your trading been:**

About the same?	21%
Improved?	%
Got worse?	79%

4.34 Reasons why there have been changes:

Ongoing building works	5%
Crime/lack of security	47%
No organised parking regime	24%
Insufficient WC facilities	16%
Drug abuse	%
Internal competition between stall holders	%
Poor overall environment	40%
No market inspector	3%
Customer profile change	5%
No cleaning/rubbish collection	5%
Lack of 6 day trading	5%
Tax VAT fraud	3%

4.35 Layout of the market

Do you think that it would be a good idea to have specialist areas within the market (for example, food stalls grouped together)?

Yes	47%
No	53%

Would you consider relocation as an improved layout?

Yes	63%
No	37%

4.36 Customer profile

Would you say that the majority of your customers were regulars?

Yes	95%
No	5%

Are they mainly:

Under 16?	6%
Young adult?	9%
25-45?	30%
46-60?	31%
Retired?	24%

4.37 Improvements to the market

Do you have any suggestions for improvements to the market in general?

Redevelop/refurbish the market	35%
Improve management/ commercially operate the market	37%
Night-time security, incorporate gates to secure market at night	75%
Improve WC facilities	35%
Improve parking facilities	30%
Combat crime	3%
Trade 6 days a week	6%

Of those who were invited to express particular comments or concerns:

Improve cleaning of market	21%
Greater variety of stalls	5%
Improve maintenance	26%
Improve security	47%

4.38 Do you have any changes planned for your business over the next two years?

No plans to develop business	63%
Increase business	13%
Get smaller	3%
Closing down/relocate	21%

4.4 *Stalls & shops statistics*

4.41 Occupiers by trade

Fruit & vegetable:	12	15.6%
Toiletries:	5	6.5%
Confectionary:	3	3.9 %
Haberdashery:	9	11.7%
Optician:	1	1.3%
Hairdresser:	1	1.3%
Ornaments:	2	2.6%
Furniture:	1	1.3%
Food:	5	6.5%
Toys:	1	1.3%
DIY:	1	1.3%
Turf Accountant:	2	2.6%
Household & Electrical goods:	4	5.2%
Butcher:	8	10.4%
Records:	1	1.3%
Newsagents/cards:	3	3.9%
Clothing:	5	6.5%
Takeaway/fast food:	2	2.6%
Bakery	1	1.3%
Fashion Jewelry	4	5.2%
Underwear	1	1.3%
Watches	1	1.3%
Cosmetics	1	1.3%
Footwear	2	2.6%
Flowers & Plants	1	1.3%
Total	77	

Total number of employees

Incl. Market trader/owner of stall: 158

4.42 During the last 12 months has your trading been:

About the same?	19.95%
Improved?	1.35%
Got worse?	78.65%

4.43 Reasons why there have been changes:

Ongoing building works	7.75%
Crime/lack of security	39.25%
No organised parking regime	14.25%
Insufficient WC facilities	17%
Drug abuse	2.25%
Internal competition between stall holders	3%
Poor overall environment	29.75%
No market inspector	37.5%
Customer profile change	2.5%
No cleaning/rubbish collection	2.5%
Lack of 6 day trading	2.5%
Tax VAT fraud	2.5%

4.44 Layout of the market

Do you think that it would be a good idea to have specialist areas within the market (for example, food stalls grouped together)?

Yes	41%
No	59%

Would you consider relocation as an improved layout?

Yes	50.5%
No	49.5%

4.45 Customer profile

Would you say that the majority of your customers were regulars?

Yes	89%
No	11%

Are they mainly:

Under 16?	4%
Young adult?	12.5%
25-45?	35.5%
46-60?	29.5%
Retired?	18.5%

4.46 Improvements to the market

Do you have any suggestions for improvements to the market in general?

Redevelop/refurbish the market	37.5%
Improve management/ commercially operate the market	39.75%
Night-time security, incorporate gates to secure market at night	63.25%
Improve WC facilities	39%
Improve parking facilities	15%
Combat crime	1.5%
Trade 6 days a week	3%

4.47 Of those who were invited to express particular comments or concerns:

Improve cleaning of market	37.25%
Greater variety of stalls	6.75%
Improve maintenance	26%
Improve security	34.35%

4.48 Do you have any changes planned for your business over the next two years?

No plans to develop business	69.5%
Increase business	17%
Get smaller	3%
Closing down/relocate	10.5%

4.5 Public questionnaire

4.51 Customer profile

Male	39%
Female	61%

4.52 Age Group

Under 16?	8%
Young adult?	-
25-45?	45%
46-60?	15%
Retired?	32%

4.53 Frequency of visits to the market

Do you use the market:

Regularly	52%
Occasionally	37%
Very occasionally	11%

Approximate number of visits:

Per week	1.5 (Average based on sample survey per head)
Per month	7 (Average based on sample survey per head)

4.54 Range of Products

What is the principle reason for your visit;

Close to local transport facilities	4%
Competitive pricing of goods for sale	37%
See friends/special relationships with stall holders	12%
Convenient to home/work address	25%
Purchase fruit and vegetables only	12%
Part of a larger shopping trip	1%
Specialist meat sales	7%
Variety of goods for sale	1%

Do you believe the market has:

An adequate range of products for sale	58%
Poor range of products for sale	21%
Less than adequate range of products for sale	20%

4.55 General views

Are there any particular uses you would like to see represented within the market;

More fashion clothing outlets	39%
Electrical shops	2%
Music shops	6%
Shoe shops	10%
Food shops	10%
Childrens clothes	3%
Haberdashery	3%
Handcrafts	3%
Fashion accessories	3%
Better variety of stalls	6%
Flowers/bookstalls	2%
Pet shops	6%
Fishmongers	6%

4.56 Do you have any concerns you would particularly like noted/suggestions for improvements to the market in general:

Cleaning	43%
Security	31%
Greater variety of A3 facilities	2%
Redevelop or refurbish the market	31%
A greater variety of products	3%
More WC facilities	25%
6-7 days a week trading	2%
Lack of hygiene for food preparation and sales	8%
Dangerous floor	14%
Drug abuse	3%
Street crime	40%

4.6 Overview of surveys undertaken

From an analysis of the combined surveys a number of key issues emerged as follows:

- 1 The pattern of usage of the market itself had changed and trade was dwindling.
- 2 There was a loyal customer base drawn from a relatively small catchment area.
- 3 The majority of traders had experienced decline in their turnover and anticipated that matters would worsen over the coming years.
- 4 The core loyal customer base was insufficient to support existing traders.
- 5 A slim majority, 58%, of customers interviewed believed there was an adequate "range of products for sale".
- 6 Almost half of the customers surveyed, 49%, believed there should be more fashion-orientated products for sale.
- 7 Both shop and market traders had strong views on the perceived lack of management control.
- 8 79% of stall traders had no plans to develop their business further with 3% stating that it was their intention to decrease the sizes of their operations.
- 9 24% of the retail occupiers were either planning to reduce the size of their business or close down/relocate.
- 10 That environmental and operational improvements alone would not substantially increase retail trade

4.7 Trading analysis

The only conclusion that can be drawn is that there has been a decline in trading within Queens Market during the past 12 months with **78.3%** of stallholders believing their trading had deteriorated over that period. This figure compared with **79%** of retail occupiers believing that trading had worsened during the past 12 months.

In our experience these are surprisingly high levels of dissatisfaction and by comparison with the results of the public questionnaire, a number of key areas can be identified as follows:

- a) The general environment.
- b) Management and the council/tenant relationship.

4.8 The general environment

Over **43%** of all those interviewed under the public questionnaire specifically mentioned dissatisfaction with the general environment, which was perceived as uninviting and poorly maintained.

Cleaning and food hygiene were noted as issues along with very specific complaints targeted to different age groups. A large number of those interviewed who were within the 46-60 or retired age bands specifically mentioned the un-even floor surface as problematic with three customers within that age group having specifically noted that they had fallen and injured themselves within the market itself.

Both shop and stall tenants felt that it was evident the general environment and amenity was hampering their trade potential and that customers by and large visited the market in order to undertake specific purchases, adopting an "in and out" purchasing style with very short dwell times.

It is clear that one principal reason can be identified for the brevity of shopping visits and that relates to the question of security and street crime. Statistically, from the three different surveys undertaken, the following percentages of respondees specifically mentioned market crime/lack of security as noted as follows:

Stallholders

Crime/lack of security: 31.5%

Shop units

Crime/lack of security: 47.0%

Public questionnaire

Crime/lack of security: 31.0%

Street crime: 40.0%

Taking an overview of the surveys undertaken throughout all three groups it is clear that the lack of amenity and the overall environment is currently having a real impact upon the way the Queens Market area trades, borne out by the responses indicating a considerable fall in trading levels over the past 12 months.

Many of the tenants themselves commented that the market was unattractive, within a dated environment, and, that the current customer base was largely drawn to the fruit & veg and meat sales.

One key area of debate that emerged from the survey was the question of public car parking. There was a spread of views in relation to car parking provision with the majority believing that it was a valuable way of encouraging customers to utilise the market, however, equally from the customer survey itself a large proportion of the current customer base is not car dependant and either relies on public transport or the proximity of their

home/place of business to the market itself. In addition the surveys revealed considerable support for the future management of the car park by an external commercial operator.

Pedestrian flows were unevenly spread throughout the market with many customers shopping upon the basis of specific purchases based upon a single visit to a chosen stall/retail unit. This has resulted in "dead spots" within certain areas of the market and, at busy times, congestion around principal fruit and veg or meat outlets and as part of the overall strategy for the development, pedestrian flows should be considered and a new overall layout drawn up.

Many tenants specifically commented upon the fact that the market itself was trading below full capacity and that a number of stalls were either vacant or unoccupied. This problem was believed to be aggravated by the number of structures within the central core of the market, which were either redundant or unoccupied, which formed additional dead trading areas and highlighted the problems of security through creating obstructed lines of sight across both the central and cross axis of the market in its current layout.

A significant portion of the customer base, **47%**, fell within the over 45 age bracket and it is clear from the customer survey that there are very few young people utilising market with only **8%** of those surveyed falling in the under 25 age bracket.

Encouragingly, the overwhelming majority of tenants understood the underlying problems relating to Queens Market and there was a clear mandate that changes needed to take place in order to secure the long term future of both the market and its surrounding environment.

4.9 Management and the council/tenant relationship

The standard of management and the facilities provided by the market itself were common grounds of criticism and a perceived lack of activity in relation to cleaning, refuse collection, refurbishment and provision of public WCs were frequently referred to.

Individual tenants were not without sympathy for the problems faced by the council as freeholders in relation to operation of the market and, given the circumstances involved, **37%** of shopkeepers and **42.5%** of market traders endorsed an improved management facility/commercially operated market.

Many tenants believed that management problems were adversely affecting trading conditions aggravated by the belief that a number of "fly pitchers" were regularly operating within the market itself.

It is apparent that there are a number of additional issues including traders encroaching into areas outside their designated pitches and inefficient refuse handling.

The existing management team is facing a number of problems, which undoubtedly are aggravated whilst the future of Queens Market itself is settled and the council is doing its best given the difficulty of the current situation.

To a significant degree many of the conflicts arise from the layout of the market and the inability of the freeholders to close the market at night and incorporate security gates to protect the stalls and merchandise. A large number of stallholders and tenants highlighted

the security problems with **51.5%** of the stallholders endorsing nighttime security and the incorporation of gates to secure the market at night.

The downgrading of the market and its immediate environment over a number of years has not encouraged individual occupiers to invest within their business activities with **76%** of the stallholders stating that they had no plans to develop their business further.

The existing management on-site is clearly aware of the various operational issues, however, the inability to invest monies in refurbishment along with the gradual further deterioration of the market environment have combined to create a situation that is gradually worsening.

Turning to the question of the tenants' relationship with the council as freeholders, attitudes towards change, which are notoriously hidebound, suggests that a considerable portion of the occupiers recognise the need for improvement with **40%** stallholders and **35%** of the shop tenants approving in principle any long term plan for refurbishment of the site.

Morale amongst occupiers is poor and the majority recognise that in order to deliver long term improvements, considerable capital resources will need to be applied to the site in its entirety.

The majority of tenants and licensees had a number of constructive and worthwhile suggestions for improvements that should be incorporated, which have been duly reflected in this report. However, it is recognised that the speed and success of any change to the market will depend upon the co-operation of a large number of tenants and licensees and prompt attention to a number of the outstanding management issues.

5.00 Existing tenant mix

The existing tenant mix is a prime example of how markets and associated retail areas have been allowed to evolve over the last decade in that there has been little attempt to reflect changes in external forces and no attempt to position the market within the local retail hierarchy.

Queens Market currently has a number of vacant stalls/pitches and both current and replacement traders have not necessarily been selected with a view to establishing a sustainable long-term tenant mix.

The overall image of the market is reflected by a poor quality of stall design/presentation combined with a lack of active management and little promotion of the market's positive aspects outside its immediate catchment area.

There is a high degree of multiple occupancy between the market and the retail units with a number of shop occupiers also utilising stall pitches, which has the effect of the proliferation of certain uses such as meat sales and fruit and vegetables. This has a knock-on effect in causing inertia in terms of the market's growth and creates pockets of similar operations closely adjoined to one another with similar standards of product quality and presentation.

As has been previously noted within the report, fresh meat and fruit and vegetables currently dominates the uses within Queens Market and is both a strength and weakness of the market itself. Its strength lies in the importance of the fresh food sector and that competitiveness between a number of traders can result in highly competitive pricing creating a loyal customer base, particularly from restricted income groups.

Queens Market has a reputation for provide excellent value for money within the fresh meat and fruit and vegetable sectors and the large majority of the existing customers visit the site for that very reason. This is a strength that has kept the market going during the difficult years, however, it is also a weakness in terms of providing quality and variety.

Whilst it is recognised therefore that the duplication of certain types of trader ensures competitive pricing, conversely the market is over-represented in terms of those uses and a finite amount of spending by a relatively small sector of the retail community is being diluted as a result.

Consumer trends are increasingly favouring market environments and fresh produce. The influence, for example, of the large number of butchers/dealers in meat products will exclude many types of traders that might enrich the overall mix but feel unable to operate in an environment dominated by fresh meat products.

6.0 Environmental audit

Queens Market is largely a covered architecturally undistinguished box, open at both ends, and lacking in modern facilities.

Stalls are laid out upon a pre-conceived grid, however, individual stallholders present their goods in an ad-hoc manner with little attempt at the creation of a cohesive single environment. The shop units surrounding the market on its two principal boundaries do not necessarily compliment the market itself in terms of their trading styles although a few shop tenants have made efforts to refurbish the units and present their products/produce in a clean and modern environment.

6.1 Interior

Queen Street Market is a large, double-height area largely of a steel frame and concrete/brick construction. There have been efforts during the past years to improve the environment including a suspended ceiling, which is being damaged by continuous water penetration from the roof above and CCTV, which has recently been installed within protective cages in order to prevent vandalism of the camera units.

The internal area is considerably hampered by a number of structures originally designed as permanent stall/shop units, many of which are now redundant or unoccupied. At least one trader who was questioned under the survey no longer uses the permanent structure for the sale and display of goods, all of which are now sold on tables outside the original demise.

Indirect natural lighting is provided at a high level through a series of skylights, many of which are obscured by the suspended ceiling, and there is poor artificial lighting.

The market in itself has the potential to become a dynamic and thriving retail environment, however, the poor current internal finishes along with the bare concrete floor covering, which is now uneven and unsafe in many areas, underlines the impression given to shoppers using the market of a stagnant and deteriorating retail experience.

Stalls are currently laid out on lateral lines down the central arcade and there is a strong current impression of ad-hoc layouts with little attempt to control the tenant mix to create an attractive overall environment. The presence of the permanent structures within the central arcade exasperate the problem of street crime and security creating "blind areas" and blocking lines of visibility from stall to stall.

Due to the nature of the total overall environment with its unsympathetic wall and floor finishes, the stalls are dominated by what is perceived as a cold and uninviting space and shoppers are confronted by a large number of traders who either have little opportunity or desire to display their goods to the best effect and clearly steps need to be taken to improve both the basis of display of merchandise and the overall tenant mix.

6.2 Servicing refuse

Servicing to the market is ad-hoc with cars being brought directly into the market area; a problem that is greatly exaggerated by the lack of night time security and the inability for stalls to remain on a semi-permanent basis within individual pitches.

The market store is largely seen as redundant and insecure so that in consequence, servicing is piecemeal and continual throughout the trading day.

The refuse collection system is under pressure and the undoubtedly successful fresh food operators are creating considerable amounts of paper and cardboard/food waste in the days the market operates.

From the results of the survey undertaken it was clear there was tension between the market operators and shop tenants and it was felt that each was exasperating the problem to the other's detriment.

Although the current market management team is doing its best under less than ideal circumstances the compacting and disposal of market waste is an important activity, which cannot be compromised and requires on-site attention and monitoring to ensure that tenants and licensees carry out refuse disposal diligently and comply with stated operational procedures.

6.3 Cleaning

There is considerable criticism of the current cleaning regime, a problem that is exacerbated by the built fabric which has been poorly maintained over the years and materials that are unsympathetic to a modern market environment.

6.4 Toilets

A common complaint from both retail/market occupiers and the customer questionnaire is the lack of WC facilities. This was seen as particularly important in terms of the high number of customers who come from the elderly population.

The customer survey revealed that **25%** of respondents believed the WC facilities were inadequate with the majority of those coming from the over-60/retired age group.

Many of the shop owners reported that they were faced with numerous requests by members of the public to use their private WC facilities and there was a clear overall perception that further and improved WC facilities were of paramount importance.

6.5 Pedestrian movements

The design of the scheme does not create pedestrian movement along a sympathetic through-route. The public house imposes onto the Green Street frontage so that in effect the pedestrian walkway, which has been opened between the public house and shop units 51-72 is ill-used and has in effect become an uninviting alley, which is perceived as dangerous and littered with refuse.

The open public realm space between the public house and Unit 424 Green Street is uninviting and is now largely utilised by undesirables.

Although there has been considerable expenditure upon improving the street environment along the pavement immediately adjoining Green Street, the public realm works will have little overall impact unless they are enhanced by improved public spaces and new pedestrian through-routes, which will create a permeable market environment.

The grid layout of the market itself effectively discourages wandering flow patterns in common with other markets and customers do not appear to circulate around the market but walk in direct routes to selected individual stalls to effect pre-ordained purchases.

The lack of pedestrian routes also creates "hotspots" within the market and favours the Green Street frontage and the corner of Rochester Avenue/Tolpuddle Avenue.

Pedestrian access overall needs to be improved with safe and secure links to either the existing or any new car parking levels with proper signage.

6.6 Vehicular access/car parking arrangements

Car parking is currently provided upon the rooftop car park over and above Queens Market itself, accessed by a ramp linked to Selsdon Road.

The car park is perceived by traders and operators throughout the development as both inadequate for traders needs and lacking in security.

The inability to close the car park at night encourages vandalism and damage to the parking surface aggravating the problems of water penetration into the lower areas.

6.7 Public transport

The site is serviced by Upton Park tube station immediately alongside and bus routes along Green Street. (No. 58: East Ham/Walthamstow, No. 104: Manor Park to Stratford, No. 330: Canning Town to Wanstead Park, No. 376: Beckton to East Ham.)

7.0 PLANNING

The consultants have held a series of meetings with the planning officers in order to establish the background and context of the development in terms of current planning policy. (see **Appendix 1: Background Information s.H**)

7.1 Planning policy

Our planning consultant, Pravin Patel of Weatherall Green & Smith, has summarised the results of those discussions as follows:

7.2 *Present use*

The site contains a mix of uses as follows:

Residential	-	Sheltered Accommodation
Retail	-	Predominantly A1 and A3 units
Car parking	-	150 spaces (Pay & Display)

7.3 *Policy*

The site is considered within the context of the London Borough of Newham's Emerging UDP.

The site lies within the Green Street Market Area. The site lies within the Town Centre boundary and is allocated as Primary Shopping Frontage.

The site is not in a Conservation Area and does not contain statutory or locally listed buildings.

Green Street is identified in the emerging plan as a District Centre. Policy SH4 applies to this area including the site. Proposals which promote and encourage development which sustain the role of Green Street, a designated District Centre, will be permitted.

7.4 *Retail use*

The Council through Policy SH4 would support a major retail use on the site. A single large food superstore is considered to be suitable in meeting the objective of promoting Green Street as a District Centre.

7.5 *Residential*

Residential accommodation as part of a mixed use scheme is supported by housing policies in the emerging UDP (Policy 10C) and national policy in PPG3 and PPG1 (mixed use development in town centres). Any residential element should be self contained and include separate access. A high density scheme should have regard to the potential overlooking and loss of privacy that could occur for existing properties along Green Street, Tolpuddle Avenue and Rochester Avenue.

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The sheltered residential block is to be retained but there may be scope to rationalise the rear service area and current access arrangements as part of an overall development scheme.

7.6 Density

The housing densities should be in the range of 175 – 210 habitable rooms per hectare (hrh)– schemes for housing should not exceed 212 hrh. High density development may be permitted where a high level of public transport is available (Policy H14). On schemes comprising 40 or more dwellings a mix of dwelling types should be provided.

7.7 Affordable housing

The Council will seek affordable housing up to 40%. The need requirement is for 2, 3 and 4 bed units. The Council's Housing Section have advised that 80% of the affordable housing element should be for rented accommodation and 20% shared equity. The Councils preferred Registered Social Landlord partners are Paddington Churches or The Peabody Trust.

7.8 Car parking

The Council's preference is to retain a high number of parking spaces for the general public. The site currently provides 150 spaces on the rooftop of the market. The area is accessed by a ramp via Selsdon Road.

7.9 A3 public use

The reprovision of an A3 Use on the site is supported by Policy SH4. Consideration must be given to its location commensurate with existing and proposed residential accommodation.

7.10 Market stalls

The emerging UDP recognises the dual function of Green Street as a sub-regional specialist Asian shopping centre and a district shopping centre for the central area of Newham. Green Street contains one the Borough's main markets, Queens Market. Whilst the loss of the market stalls and replacement with other retail units (a large single or a multiple of small units) would not conflict with the emerging policies in the Plan, it is considered by officers that there is a strong presumption in favour of their retention. There may be scope to reduce the number of stalls as many are vacant and as the market overall is not operating at maximum capacity. It is felt that the reprovision of the market stalls should be at ground level.

7.11 Highways

The principle access / egress points to the site are Selsdon Road (access) and Queen's Road (egress – one way leading to Green Street). The Transportation Department of the Council, have advised that a Traffic Impact Assessment would be required to identify current traffic flows, predicted flows from the development options and an assessment on the safety and free flow of traffic on to Green Street.

7.12 Other uses

Other uses considered acceptable are leisure / creche / nursery

7.13 Archaeology

Part of the site falls within an archaeological priority area. The site will need to be surveyed to determine whether it is of archaeological interest.

7.14 Planning obligations

The following planning obligation under Section 106 of the Town and Country Planning Act 1990 may be sought by the Council based on a retail / residential mixed use scheme.

1. On-site provision of affordable housing in the case of any private housing of 15 or more dwellings or on sites of 0.5 hectares or more.
2. Local Labour Agreement during construction and for retail superstore.
3. General environmental improvements in the immediate locality. Possible improvements to the rail station.
4. Financial contribution towards highway improvements or developer required to undertake works under Section 299A of the Highways Act.

8.0 TRANSPORT AND CAR PARKING ISSUES

The consultants held a meeting with council officers in relation to transport and parking policy. (see **Appendix 1: Background Information s.J**)

In brief, the various issues that were raised are as follows:

8.1 On-street parking

The area to the north of Upton Park tube station is designated as a Controlled Parking Zone (CPZ) and is classified as parking for residents only.

There are plans to extend the CPZ areas, which will include all of the residential streets surrounding Queens Market. The new CPZ boundaries will be subject to consultation next year but will, in all likelihood, replace the current pay and display system.

8.2 Existing off-street parking

Queens Market currently provides 150 public car parking spaces, which are used mainly four days a week on market trading days or at times when West Ham Football Club is playing at home. For the remainder of the time it is guesstimated the car park is used at approximately 10% of its available capacity and the extension of the CPZ is intended to encourage greater use of the public car park areas and ideally the London Borough of Newham would like to see the number of parking spaces available within the development increased.

It was perceived that any under-provision of car parking would impact upon the surrounding residential streets and would cause additional problems if amalgamated with an extension of the CPZ. Council officers were at pains to underline that their policy is to achieve good off-street parking combined with local public transport facilities and on-street parking control. At this juncture it was suggested that approximately 300 car parking spaces in total would be required.

8.3 Semi-pedestrianisation of Green Street

There is currently a proposal to semi-pedestrianise Green Street between Selsdon Road and Plashet Road with access for buses only. Whilst this initiative is still under consultation it is proposed that drivers approaching Queens Market from the north will park at the Shelsby Avenue Car Park and drivers from the south within the Green Street development itself.

An alternative proposal, which is under consideration, is to create a one-way system through Selsdon Road reducing traffic generation in Queen Street bringing vehicles around the Queens Market development and exiting through Queens Road, which is currently a designated one-way street.

9.0 TENURE

There are currently in existence various forms of tenure across the scheme ranging from occupational licenses through to leasehold interests protected under the relevant legislation. We have analysed each of those forms of tenure as follows.

9.1 Street traders license

The majority of the market stall operators occupy under a London Borough of Newham Street Traders License instrument issued under Part III of the London & Local Authorities Act 1990. (see **Appendix 1: Background Information s.N**)

In summary, the rights conferred upon the licensee are as follows:

- 1 The license is granted to the person specifically named under the license agreement who is authorised to engage in street trading within Queens Market.
- 2 The license specifically authorises the holder to trade solely in specified articles and is granted subject to the following:
 - i) the provisions of the London & Local Authorities Act 1990, Part III;
 - ii) any conditions or regulations made by the council under Section 27 of the London & Local Authorities Act 1990;
 - iii) the licensee is required to comply with all food hygiene regulations for the time being in force;
 - iv) the licensee is required to comply with all other statutes, bye-laws, rules, orders, etc., in force for the time being as may apply to the conduct of the license holder's trade conducted by virtue of the license granted.

9.2 Term

The license, unless revoked earlier, will continue in force until 1 January 2001.

In addition the license is subject to the following conditions:

- 1 The council may revoke the license if:
 - i) there has been any misconduct or for any reason the license holder is, in the London Borough of Newham's opinion, unsuitable to hold a license;
 - ii) the space demised under the license becomes insufficient to avoid causing interference with traffic;
 - iii) the London Borough of Newham is specifically requested to revoke the license by the license holder.

- 2 Any person aggrieved by a refusal, revocation or variation of any prescription in the license may appeal to a Court of Summary jurisdiction under Section 30 of the London & Local Authorities Act.
- 3 The license cannot be transferred unless it is in succession in accordance with the London & Local Authorities Act.
- 4 No change in the nature of the license holder's business may be made without the prior consent of the council.
- 5 The license holder shall trade only from the position indicated on the license or as indicated by a duly authorised officer of the council.
- 6 The license holder must trade in person for the majority of the time that trading is in progress.
- 7 The license holder is liable for the license fees at all times.
- 8 The license holder is to keep and maintain indemnity insurance at all times and produce a copy of any such insurance upon demand.
- 9 The license holder will dispose of refuse and keep the areas within the demise in a clean and tidy condition.
- 10 It is an offence to tamper with the license or to continue to trade after the license has been revoked or to fail to comply with the provisions of the London & Local Authorities Act 1990.
- 11 The license remains the property of the council and must be produced on demand.
- 12 Trading after permitted hours, non-market days and "spreading" beyond allocated pitch sizes may result in the revocation of the license.
- 13 The license holder's failure to claim the allocated pitch by 8.30 am will lose the license to trade.

9.3 Leasehold interests

We have been shown, and have analysed, three different forms of lease, which we understand is representative of all of the leasehold interests throughout the development.

Example 1

Lease in respect of 21 Queens Market

Term:	For a term of 20 years from 24 June 1992
Reservations:	Under Clause II, sub-paragraph (ii) the London Borough of Newham may execute works on adjoining and neighbouring land as they "may think fit notwithstanding that interference may thereby be caused".
Lessees covenants:	<ol style="list-style-type: none">1) To pay the rents reserved in the manner set out and pay interest at the rate of 4% above the base rate of Barclays Bank plc on any rents unpaid for 14 days.2) To pay all existing and future rates, tax, assessments, duties, charges and outgoings.3a) To keep the interior of the demised premises and every part thereof and additions thereto in good and tenable repair and condition throughout the term.3b) To pay a fair proportion of the expenses payable in respect of the exterior of the structure.4) To paint and repair all parts of the interior of the demised premises in every fifth year of the term.5) To keep the demised premises clean and in a proper tenable condition.6) Not at any time during the term without the consent in writing of the London Borough of Newham to alter or extend the premises.

- 7) To pay a fair proportion of the expenses payable in respect of repairing, renewing and cleansing all party walls, fences, sewers, drains, roads, pavements and other things, the use of which is common to the demised premises.

User:

Not use, permit or suffer to be used the demised premises or any part thereof for any purpose other than as a lock-up shop for the sale of meat.

Alienation:

Not to under-let except by way of assignment of the whole in accordance with Clause 20 or part with possession of the demised premises or any part thereof.

Clause 20

Not to assign the demised premises without the written consent of the London Borough of Newham, such consent not be unreasonably withheld or delayed.

Clause 21

Not to set up on the footway fronting the demised premises any stall or structure of any kind or to allow goods or vending machines to be placed outside the demised unit.

Clause 23

Not without the consent of the corporation to apply for a license to sell intoxicating liquor

- London Borough of Newham covenants:**
- 1) Peaceful enjoyment.
 - 2) To main a policy of insurance in relation to the demised premises.
 - 3) To keep the exterior and structure and of the demised premises in tenatable repair and redecorate all external wood, iron and other parts in every fifth year of the term.

Rent review provisions:

- 1) Every three years following the first three years of the term, the annual rent shall be determined in accordance with the following formula:
 - a) the rent at which the premises might reasonably be expected to let in the open market by a willing landlord for a term equivalent to the term granted;
 - b) upon the assumption that the user was for the sale of meat;
 - c) upon the assumption that the lessee has complied with all repairing covenants;
 - d) that all matters set out with Section 34 of the Landlord & Tenant Act 1954 are disregarded.

Third party determination:

That any dispute with regard to the rental at review shall be referred to the decision of an arbitrator (or an independent expert if the corporation so determines).

9.4 Example 2

Under-lease Kiosk 16, Queens Market

Term:

For a period of 21 years from 25/3/78.

Demise:

All those premises being Kiosk 16, 39 Queens Market, Upton in the London Borough of Newham.

Rent review provisions:

At the expiration of the 5th, 10th and 15th years of the lease the rack rental value shall be determined either by agreement or failing agreement, by a valuer to be nominated by the President for the time being of the RICS. Any nominated valuer shall be one who specialises in shop or office properties and shall act as an expert, not an arbitrator.

Valuers fees:

The fees should be shared equally by the lessor and the lessee.

Conditions to review:

The rack rental value shall be taken as the rent at which the premises might be let subject to the terms of the lease in the open market by a willing lessor to a willing lessee upon the assumption of vacant possession and for a term of 20 years.

Insurance:

By way of additional rent, a sum equal to any monies expended by the lessor upon a policy of insurance.

Lessees covenants:

- 1) To pay any rents demanded.
- 2) To pay all rates, taxes, assessments and other outgoings whatsoever.
- 3) To pay on demand all costs in relation to the recovery of rental arrears.
- 4) To pay a fair proportion of the expenses payable in respect of repairing, re-building, lighting and cleansing all party walls, fences, sewers, drains, roads, pavements and other things, the use of which is common to the demised premises and to other premises.
- 5) To keep the interior of the demised premises in tenable condition.
- 9) Not to erect any new buildings of any kind upon any part of the land demised or to make alterations or additions to the demised premises within the meaning of the Land Commission Act 1967.
- 10) To clean all windows within the demised premises once a month.

Alienation:

- 13a) Not to assign, under-let or part with possession of any part being less than the whole.
- 13b) Not to assign, under-let or part with possession of the whole without the previous consent in writing of the lessor.
- 18a) Not to erect any illuminated sign.

- 18b) Not to place any advertisement, sign, board, placard or flag except with the prior approval of the lessor.
- 25) To keep the demised premises open for retail trade during the usual hours of business in the locality as nominated from time to time by the lessor.
- 26) To pay to the lessor on demand the yearly sum of £100.00 as a contribution towards keeping the development, of which the demised premises forms part, properly policed whether by the Metropolitan Police or a private security firm.

Lessors covenants:

- 1) Quiet enjoyment
- 3) To keep the demised premises insured.
- 5) To keep the exterior and structure of the demised premises and all additions thereto in tenable repair.

9.5 Example 3

Lease dated 11 August 1997 between Samuel Properties (Developments) Ltd and Allied Breweries (UK) Ltd.

Demise:

410 Queen Street along with the area hatched blue upon the plan and the link bridge at first floor level together with the rights for the lessees and all parties authorised by them to pass and re-pass along the lane coloured brown upon the lease plan from 24 June 1970 for a term of 125 years.

Rental:

£150.00 per annum.

The tenant shall not be entitled to any right of access of light or air to any buildings erected upon the land demised to them which would restrict or interfere with the free use of any adjoining or neighbouring land.

Tenants covenants:

- 1) To pay the rent in accordance with the lease.
- 2) To pay and discharge all taxes, rates, charges, assessments and other outgoings.
- 3) At his own expense to uphold, maintain and keep in good condition and complete repair the demised premises.
- 4) To redecorate interior once every five years.
- 5) To clean and re-point the outside stone and brickwork or any other external finish.
- 6) Once in every 7 years to redecorate the exterior.
- 7) Not without the previous consent in writing of the lessor, which will not be unreasonably withheld, to make any alterations to the exterior structure or elevations.
- 11) To maintain a policy of insurance in relation to the demised premises.
- 15) Not to erect or attach any illuminated flashing sign upon the premises.
- 18) Not to erect any additional premises or erect a roof over any open area without the consent in writing of the lessors and the superior lessors.
- 22) Not to allow or permit the parking of vehicles except for the purposes of loading or unloading goods.
- 23) Not during the last 7 years of the term to assign the demised premises or any part thereof without the consent in writing of the lessors.

Lessors covenants:

- 5) Quiet enjoyment
- 6) Any dispute arising with regard to any of the terms contained within the lease shall be referred to a single arbitrator in accordance with the Arbitration Act.

10.0 QUEENS MARKET AND THE LONDON & LOCAL AUTHORITIES ACT 1990 (PART III)

10.1 London & Local Authorities Act 1990

Newham Borough Council operates the market under the provisions of the London & Local Authorities Act 1990. The Act governs licensed street trading described as **“the selling or exposing or the offering for sale of any article (including a living thing) or the supplying or offering to supply any services in a street for gain or reward”**.

Through choosing to operate the Queens Market the London & Local Authorities Act both the freeholder and licensees are governed by strict rules of trading in summary as follows: **(see Appendix 1: Background Information)**

10.2 *London & Local Authorities Act 1990 (Part III): Street trading*

The selling or exposing or the offering for sale of any article (including a living thing) or the supplying or offering to supply any service in a street for gain or reward.

10.3 *Street trading license*

A license granted under the Act and valid for the period specified therein being not less than six months and not more than three years.

10.4 *Temporary license*

A license granted under this part of the Act valid for a single day or for such a period as may be specified but not exceeding six months.

10.5 *Specific exclusions*

The following forms of street trading are specifically excluded from the Act:

- 1 A person trading as a peddler under the authority of a peddler's certificate.
- 2 Trading within a market the right to which was acquired by virtue of a grant enactment or order.
- 3 Trading in a trunk road picnic area.
- 4 Trading as a news vendor providing articles offered for sale are newspapers or periodicals from a receptacle of a limited size.
- 5 Selling articles from a licensed vehicle, e.g., delivery of milk.
- 6 Any use for trading under Part VII(a) of the Highways Act 1990.
- 7 The operation of facilities for recreation or refreshment under the Highways Act 1980.

- 8 The sale of any articles authorised by Section 5 of the Metropolitan Police (Miscellaneous Provisions) Act 1916.
- 9 Trading in a highway in relation to which Section 7 of the Local Government (Miscellaneous Provisions) Act 1976 is in force.
- 10 The sale of articles on any land comprised in a street by the owner or occupier of the land.

10.6 Licensing of street traders

It is unlawful for any person to engage in street trading unless authorised to do so by street trading license.

10.7 Designation of licensed streets

If a borough council considers that street trading should be licensed then they may do so by passing any of the following resolutions:

- 1 A designating resolution, which designates any street within the borough as a "licensed street".
- 2 A resolution specifying the class or classes of articles or services, which they will or will not permit to be sold under the street trading license of any such street

Prior to passing a designating resolution the borough council shall:

- i) Consult with the Commissioner of Police.
- ii) Before rescinding or varying a designating resolution, consult with the license holders trading in the street in question or a body or bodies representative of them with regard to any variations.

A borough council shall not pass a resolution rescinding or varying a licensed street unless:

- a) They have published notice of their intention to do so in a local newspaper circulating in their area.
- b) They have served a copy of the notice on the highway authority for that street.

c) Where they have obtained the consent of any other interested parties including:

- 1 Where the street is owned or maintained by a relevant corporation.
- 2 Where the licensed street is maintained by a highway authority.
- 3 Relevant corporations are defined as:
 - 4 British Railways Board.
 - 5 London Regional Transport.
 - 6 An urban development corporation established under the Local Government Planning & Land Act 1980.

10.8 Application for street trading licenses

- 1 Any application for a street trading license or renewal of a street trading license shall be made in writing to the borough council no later than two months or earlier than three months before the date upon which the license ceases to be valid.
- 2 A street trading licence shall not be granted under the following circumstances:
 - a) to a person under the age of 17 years;
 - b) where the application is made by a company incorporated under the Companies Act or by partnership for a license to carry on ice-cream trading who hold a street trading license in any other licensed street;
 - c) in respect of an application for a license that is not a temporary license to trade in a street, which is not a licensed street;
 - d) where the application relates to a class of articles, things or services, which are not described within the resolution;
 - e) unless the borough council is satisfied that there is enough space in the street for the applicant to engage in trading without causing under interference or inconvenience to persons or vehicles using the street.

10.9 Grounds for refusing the grant of a license

The council may refuse an application on any of the following grounds:

- 1 There are sufficient traders trading within the street in the make or class of goods in which the applicant desires to trade.
- 2 On account of misconduct or for any other sufficient reason the applicant is unsuitable to hold a license.
- 3 That the applicant previously failed to make full use of a previously granted trading license.
- 4 That the applicant has previously had a street trading license revoked or neglected to pay the fees or charges due under that license.
- 5 That the applicant has failed to provide suitable premises for the storage of perishable goods.
- 6 That the class of goods in which the applicant intends to trade directly competes with a retail unit in that part of the street which is "contiguous with the frontage of a shop".
- 7 A license holder may at any time surrender his/her license to the borough council and it shall then cease to be valid

10.10 Succession

In the event that a license holder has specified the name and address of a relative to whom he desires the license to be granted either dies, retires or notifies the council that due to ill health he/she is unable to continue trading, the council will grant a license in respect of the position or place in a street which the former licensee was entitled to engage in street trading.

For the purposes of this section, persons treated as being related to that individual include the wife, husband, father, mother, grandfather, grandmother, stepfather, stepmother, son, daughter, grandson, granddaughter, stepson, stepdaughter, brother sister, half brother or half sister of the licensee.

10.11 Conditions of street trading licenses

The borough council may make regulations prescribing standard conditions that they may attach to the license.

Before make such regulations the council shall:

- 3 Publish a notice of their intention to do so in a local newspaper which contains:
 - i) a draft of the resolution to which it relates;
 - ii) a statement that representations relating to the regulations may be made in writing within 28 days of the publication of the notice;
 - iii) consult the license holders or a body or bodies representative of them.
- 4 The Act specifies certain standard conditions which may be attached to a street trading license as follows:
 - i) identifying the street or streets and position in which the license holder may sell or expose for offer goods for sale;
 - ii) identifying the class or classes or articles or services which the license holder may sell;
 - iii) identifying the day or days upon which the license holder may sell the agreed articles;
 - iv) identifying the nature and type of any receptacle which may be used by the license holder in connection with the sale or provision of services;
 - v) requiring that the receptacle used for the sale of goods or services shall carry the name of the license holder and the number of his license;
 - vi) regulating the storage of receptacles or perishable goods;
 - vii) regulating the deposit and removal of refuse;
 - viii) regulating trading hours under the license.

10.12 Revocation or variation of licenses

A borough council may at any time revoke a street trading license if they are satisfied that:

- 1 There is not enough space in the street in which the license holder trades in order to enable trading to continue without causing undue inconvenience to persons or vehicular traffic.
- 2 The license holder is trading a class of articles which the borough council has resolved should not be sold within the market.
- 3 The license holder is an individual who has, without reasonable excuse, failed to fully "avail himself of his license".
- 4 The license holder is guilty of misconduct and unsuitable to hold the license.
- 5 That the license holder has, for a period of four weeks, failed to pay the fees or charges due to the borough council.
- 6 That since the grant of the renewal of the license, the license holder has failed to make provision for adequate storage of the receptacles utilised for trading.
- 7 That the license holder has persistently failed to comply with the conditions of the license.

In addition, providing that the borough council is satisfied of their ability to revoke a license based on paragraphs (a) – (c) above they may, instead of revoking it, vary its conditions as follows:

- i) Reducing the number of days in the week during which the license holder may trade.
- ii) Specifying a different licensed street or position or place in which the licensee may sell or expose articles for sale.
- iii) Restrict the descriptions of articles, things or services in which the license holder is permitted to trade.

10.13 Fees and charges

A borough council may recover from license holders such charges as may be sufficient to cover the reasonable costs during the period of one year of the following:

- 5 The collection, removal and disposal of refuse or other services rendered by the council to license holders.
- 6 The cleansing of streets in which the street trading takes place.
- 7 Any reasonable administrative or other costs.
- 8 The cost of enforcing the provisions of the London & Local Authorities Act.

11.0 Street trading charges: Queens Market

Given that the council has adopted the provisions of the London & Local Authorities Act 1990, the London Borough of Newham is prevented from setting pitch fees at any level that might result in a surplus income and can only recover the costs of managing and running the market as outlined above. (see Appendix 1: Background Information s.N)

Consequently there is no source of income to fund a major scheme of refurbishment over and above the monies that have been expended under the SRB Green Street initiative.

The allocated budget and income therefore for the 1999/2000 trading year were therefore as follows:

11.1 Expenditure

Employees:	£2,502
Premises:	£41,061
Transport:	£922
Supplies & services:	£6,322
Rent collection:	£23,773
Internal support charges:	£87,059
Enforcement:	£47,480
Cleansing:	£190,383
Total expenditure:	£399,502

11.2 Income

Fees, etc:	£381,000
Cleansing rebate:	£17,950
Total income:	£398,950
Surplus	£552

12.0 Proposals for change of status: Queens Market

Considerable thought has been given to the basis upon which the status of Queens Market might be altered to achieve a number of immediate desires.

The central core of Queens Market (**see Appendix 1: Background Information s.A**) was made a licensed street in 1992 under the Local Authorities Act 1999, Section 24 and consideration has been given to the basis upon which the street may be closed, so that there is no vehicular access causing a conflict between pedestrians and motor vehicles along with the stated desire to alter the legal basis upon which the Queens Market operates.

From the summary given above outlining the key elements of the London & Local Authorities Act it is clear that under the Act itself there are no grounds upon which the status of the market can be changed and therefore following counsel's opinion it is considered that the most appropriate manner in which to deal with the alteration of the status of the market is through extinguishing the central core as a highway.

Counsel is of the opinion that upon the basis that the market is no longer a highway it cannot operate as a licensed street.

The legal basis upon which the licensed street status of the market could be revoked is as follows:

- 9 The council, under the 1990 London & Local Authorities Act, Section 24 (1) will give notice rescinding the 1992 resolution declaring Queens Market a licensed street.
- 10 As set out within the summary of the 1990 Act this will require under Section 24 the following steps:
 - i) notice to be given in a local newspaper;
 - ii) notice to be given to the highway authority;
 - iii) obtaining consent of the highway authority.

In addition, under Section 24 (7) the notices must contain the following:

- a) a draft resolution;
- b) a statement that representations may be made within 28 days (see summary of the relevant act above)

13.0 MANAGEMENT OF QUEENS MARKET

It is the belief of the joint consultants that consideration should be given to transferring the day to day operation of the market to a specialist firm of private contractors either as sub-consultants to the London Borough of Newham or by way of a head leasehold interest.

Professional management of any market is one of the fastest and simplest methods for implementing change in trading patterns subject to alteration of the status of the market itself (see Section 12.0 p55).

In the short term, measures need to be implemented to arrest any further decline in Queens Market and in order to ensure that there is a smooth transition, preferably with continuous trading, during any construction period.

13.1 Management options

There are in essence two options in relation to the long term management of the market as follows:

- 11 Continue managing Queens Market through the London Borough of Newham.
- 12 Place the management with an external organisation.

One of the perceived difficulties in any landlord, as in this instance the London Borough of Newham, continuing to operate the market as a function of its property team is the problems in distancing managerial staff from the day to day operation of the site and subsequently concentrating their activities upon growth and longer term objectives.

Consequently it is believed that a retail manager would need to be appointed rather than a pure market inspector in order to ensure there is a focus on the promotion and success of what are ultimately retail businesses rather than purely enforcement and control.

In the event that the management function was passed to an external organisation we would propose that the selected operator would enter into a minimum three year contract and a management agreement with the council that bound the operator to achieve certain overall objectives.

Any increase in license fees would be agreed with the council in order to increase the financial returns whilst allowing the London Borough of Newham to retain overall control.

A concentrated marketing campaign should be undertaken in order to promote the continuing existence of Queens Market itself and in order to communicate the improvements and changes that might ultimately be undertaken. It is essential to the future of Queens Market that the promotion targets four key potential audiences as follows:

Potential new customers: To inform and encourage use of the market.

Potential new tenants: To improve the tenant mix.

Existing customers: To secure the loyal customer base during changes and disruptions.

Existing tenants: To unite and motivate.

As part of the short term management and implementation structure a number of issues will need to be communicated to the existing tenants in order to secure their support and long term commitment to Queens Market and the key to successfully taking the market traders through any process of change is communication.

Amongst the issues that will need to be clearly communicated to the market tenants are the following:

- i) The council's long term commitment to Queens Market.
- ii) A clear programme in relation to construction works, alterations, improvements and layout changes with regular updates.
- iii) A method statement of how disruption will be contained and how the various layout changes will operate including servicing and access arrangements.
- iv) The long term vision for Queens Market and its positioning relative to the existing retail offer within Green Street.
- v) The rent and other occupational cost during the periods of change and on completion.

In summary therefore, the short term objectives in relation to Queens Market in terms of both its management structure and the future commercial operation of Queens Market are as follows:

- a) Move Queens Market towards a longer term sustainable tenant mix.
- b) Arrest further decline in trading profile/poor local image.
- c) Maintain income levels pending longer term improvement strategy.
- d) Commence a framework for marketing/promotions/events.

13.2 Long term management strategy

Much of the longer term management strategy would rely upon many of the matters outlined above. Nevertheless, in order to ensure the continued growth and success of Queens Market we have identified four key areas that will require detailed attention as follows:

- 13 Branding
- 14 Events
- 15 Press relations
- 16 Advertising

13.3 Branding

For marketing purposes and pending redevelopment of Queens Market, the street market itself should be branded as a single entity given that individual traders are unlikely to have sufficient profile in isolation to create a brand under which Queens Market can effectively trade.

The market should therefore be promoted on the basis of value for money, quality of services and shopping experience as follows:

- 17 Adopt a visual identity that reflects the heritage and history of Queens Market.
- 18 Create key messages that will be used consistently in all promotional materials.
- 19 Integrate the new visual identity in signage on-site.
- 20 Utilise a brand identity to influence public perception of Queens Market.
- 21 Brand signage and images within Queens Market, which focus on the sense of place and instills a sense of identity in visitors/customers and engenders pride in Queens Market amongst traders and staff.

13.4 Events

The main promotional activity in all likelihood would be a regular programme of events on-site generating footfall and maintaining shopper interest levels. These events can be undertaken relatively inexpensively in the form of exhibitions, demonstrations and promotional activities. Wherever possible external organisations should be involved to obtain the advantages of mutual endorsement including radio stations, local newspapers and local educational facilities.

There are also a number of activities that would generate additional revenue for the council in the form of facility fees including product launches, sponsored events and hire for filming and photographic use.

Whilst some of these are not necessarily of interest to customers and the general public, there is a positive public relations value in raising the profile of the market and any income created can be used to supplement the market budget.

Finally, events can be tailored to both seasonal retail festivals and religious festivals so that Queens Market is seen as providing a full service to its customer base.

13.5 *Press relations*

The rejuvenation of Queens Market will provide the opportunity to enlist the support of local papers and enable the council to highlight the importance of Queens Market's successful repositioning within the local retail hierarchy.

Favourable editorial coverage is one of the most powerful marketing tools available and can be utilised to underwrite any events programme at virtually no additional cost.

13.6 *Advertising*

Whilst advertising is an expensive medium in itself it can, if carefully targeted, be a useful promotional tool and a case should be made to the individual licensees for an extraordinary budget to be made available to promote Queens Market during the period of development and leading up to the scheme's re-launch.

14.0 OUTLINE SCHEMES OF REFURBISHMENT/REDEVELOPMENT

14.1 Introduction

Following the consultation exercise that has been undertaken across a broad spectrum of inter-related interested parties the consultants have considered five options in relation to a scheme of redevelopment of the Queens Market site to provide a greatly improved overall environment.

The architectural drawings that have been prepared by Hamilton Associates are indicative only at this juncture in as much as they express revised layouts, which will require detailed investigation in the future in order to ensure that they comply with both the existing site constraints and the future aspirations of the London Borough of Newham.

For example, we have recently learned that there are potentially long term proposals to redirect the vehicular traffic within Green Street, possibly including a buses only route immediately along the existing façade of Queens Market, which will ultimately require, particularly if those plans are implemented, detailed discussions in relation to how any redevelopment of the Queens Market area will both assist and comply with any change in the traffic status.

The schematic drawings nevertheless indicate potential schemes of redevelopment, which it is believed are both commercially viable and capable of implementation taking into account the key issues and constraints that the site presents.

Whilst the majority of these constraints have been outlined in detail within the body of this report there are fundamental issues that need to be borne in mind, which severely restrict the basis of any scheme of refurbishment or redevelopment as follows.

14.2 *Hamara Ghar*

The retention of the existing sheltered housing block has been a pre-requisite of the scheme from its outset and, in effect, whilst it is a fully valid aspiration approximately one third of the site is sterilised and it will ultimately be necessary to ensure the building programme creates the minimum interference and inconvenience to the residents who it is envisaged will remain on-site throughout the building works.

14.3 *Queens Market*

Due to the very nature of Queens Market itself and the severe deterioration in both the built fabric of the market and the car park it is difficult to envisage any circumstances under which that site could be redeveloped/refurbished whilst the market continued in operation. As outlined within the summary results from the tenant and retail unit surveys it is widely appreciated and understood that if the long term future of the market is to be secured a major scheme of redevelopment is anticipated. (See section 4: Retail Audit p10-25.)

Consequently and in consultation with the borough officers, four of the proposed options require the relocation of the market within the site itself in order that the building works can be phased, enabling traders to relocate to a new site prior to demolition of the existing market unit enabling continuity of trade and encouraging, as far as possible, the active co-operation of the market stall and shop unit operators.

14.4 *Surrounding residential areas*

Whilst the site has an extensive commercial frontage to Queen Street the surrounding streets of Selsdon Road, Crown Mews, Rochester Avenue and Tolpuddle Avenue are largely residential in nature and this will require any building programme to take account of the maintenance of the residential amenity with a minimum interference in terms of pollution and disturbance.

14.5 *Safety and construction issues*

Any redevelopment undertaken upon the site will be a major engineering project and there will be a number of specific site safety issues that will need to be taken into account. These would range from ensuring that construction works were undertaken only during social hours to respecting the safety of the open tube lines servicing Upton Park underground station.

In summary therefore, each of the five options should be considered as indicative schemes showing the way forward rather than finite drawings in themselves given that there are still a number of issues that need to be resolved to enable the development to take place.

14.6 Option 1 (see Appendix 1: Background Information s.O)

Scheme description

In order to improve the link between Upton Park tube station and the scheme, traffic calming measures will be incorporated within Queens Road, encouraging a safe and secure pedestrian link.

A pull-in area for buses and taxis has been created along with a disabled parking area given that there are no current facilities on-site.

The paved frontage has been widened to accommodate pedestrian flows to and from the tube station including peak periods of usage such as during sporting events at West Ham football ground.

There has been a deliberate narrowing of the paved area prior to the crossing between Queens Road and the Upton Park tube station in order to ensure that pedestrians are filtered safely to and from the public transport facilities.

New street furniture, lighting and areas of planting have been created to enhance the frontage and create a friendly environment with the existing "blind areas" eliminated so that users, particularly during the evening and nighttime hours, have full lines of sight into the new public squares.

Whilst it is not envisaged at this juncture that there will be formal seating areas the two indented amenity spaces, which form the main entrances to the store and market locations will provide open space away from the main pedestrian flows.

The scheme envisages seven new A1/A3 units fronting Queens Road providing new and replacement accommodation in order to encourage a vibrant frontage with a variety of uses complimenting the main store and market areas.

The public house has been relocated to the Green Street/Selsdon Road junction creating a focal point for nighttime entertainment activity with a significant pavement area around the A3 unit in order to enable safe and secure access and egress.

The question of servicing to the site is complex and difficult to resolve to the satisfaction of every party. Current servicing arrangements are ad-hoc and encourage vehicles to utilize the Selsdon Road/Rochester Avenue/Tolpuddle Avenue/Queens Road route maximizing the penetration of service vehicles into the residential areas. Whilst in the long term we would envisage that there would be strict controls over servicing, particularly in terms of the hours of usage, two new service areas have been created to enable access by commercial vehicles to both the market and store site.

Given that it is envisaged the market will become a permanent site capable of being locked and secured at night, many of the existing servicing movements requiring goods and stalls to be removed after trading hours will become unnecessary, reducing significantly the number of vehicle trips to and from the market area so that the service area will be utilised purely for the delivery of new stock.

At the current time servicing to the market occurs throughout the early morning hours and vehicles are required to travel down Selsdon Road to Rochester Avenue creating vehicle movements through an extended residential area at anti-social times.

Whilst no ideal solution exists, by locating the service area as close to the Green Street commercial frontage as possible it is believed that interference with the residential users will be minimised and that the creation of a semi-permanent market location in itself will enable market servicing hours to be brought forward to, again as far as possible under the circumstances, more social hours.

The junction at Selsdon Road/Rochester Avenue with the existing ramp access to the car park at first floor is, again, a difficult and complex area which will require a lengthy future consultation process and a carefully designed building solution.

At this juncture and in common with all of the proposed schemes, we have not shown any re-routing of the ramp itself notwithstanding that this may well be a long term aspiration. Various schemes, however, show different treatments in relation to the market store, which will largely become redundant following the creation of a permanent, safe and secure market site in order to maximise the developable area.

The principle of re-routing the Selsdon Road/Rochester Avenue link is acceptable to both the planners and the highways departments notwithstanding that both bodies have indicated that a lengthy consultation process will be required and that any revised road layout would need to comply with the bus only route along Green Street itself.

Option 1 shows an improved potential layout with pedestrian paved areas and improved foot passenger links between the residential streets and Green Street itself.

The second servicing area for the store unit does, to some degree, impose upon the immediate residential amenity, however, once again we would envisage that the service hours are controlled by agreement with a limited number of movements given that it is currently envisaged that a single operator will occupy the main retail store premises.

Various discussions have been held in relation to whether or not a new through servicing route could be created directly linking the service area to Queens Road (and excluding the necessity should the one-way system be imposed of utilising Tolpuddle Avenue), however, it is envisaged that whilst important, these are detailed matters, that can only be adequately dealt with through and during the planning application process.

A new access to the residential upper parts has been incorporated within the Queens Road frontage. Whilst the precise location of the access will be agreed at a later date, by utilising Queens Road it is envisaged that a quieter and enhanced Queens Road environment, will be created as part of the scheme, with the residential access creating a point of interest within Queens Road, which will be generally refurbished to create a quiet, semi-backwater.

The market has been relocated to a site principally below the Hamara Ghar sheltered housing development, which will enable construction to be undertaken in two phases. It is envisaged that Phase I will proceed whilst Queens Market continues to trade in its existing location creating a new purpose-built market below Hamara Ghar with a minimum of interference to the sheltered housing tenants.

The new market buildings will be safe and secure during non-trading hours and capable of being locked in order that there is no general public access outside trading hours. This will enable the market to be operated on a permanent basis with both shop tenants and licensees being encouraged to display their goods on semi-permanent stalls and freestanding units in keeping with the new purpose built environment.

To the northern end of the site a new store unit has been incorporated, which it is envisaged will encourage new retail trade and create a permanent retail draw.

14.7 *Floor areas*

A1/A3:	3,875 sq ft
Retail block:	3,700 sq ft
Retail kiosk unit:	500 sq ft
Public house/A3:	5,800 sq ft
New market:	56,600 sq ft
Store unit:	56,500 sq ft

14.8 *First floor plans* (see Appendix 1: Background Information s.P)

Hamilton Associates has produced two options for the redevelopment of the first floor and at the invitation of the consultancy team, Barratt Homes has also investigated the potential for a major residential development upon the upper floors.

In its essentials both Hamilton Associates and the external development teams with whom we have held initial discussions including, as annotated above, Barratts, Fairview and Berkeley Commercial Developments, agree up to 250 individual flats could be created of varying unit sizes from one bedroom through to potentially 2-3 bedroom penthouse units.

Given that both the consultancy team and the mainstream market developers with whom discussions have been held to date are satisfied that a scheme of this nature could be incorporated within the upper parts, we have not progressed the design drawings any further although it is envisaged that the development would be on a tiered basis giving

respect in terms of scale and dimensions to both the Green Street and Tolpuddle Avenue frontages.

Some concern has been expressed that the units will overlook the Upton Park underground lines, however, the schemes will face onto internal courtyards and be a self-contained environment within the upper parts.

We have enclosed Options 1 & 2 showing the layout at first floor level in isolation with the main variation concerning how the surface car parking is treated.

Two different schemes are envisaged with Option 1 being based on a new deck over the site in its entirety providing a combination of public and private parking for the residential units. Option 2 assumes that the link between Selsdon Road and Rochester Avenue remains as currently laid out and that the market store is redeveloped as a multi-storey car park over three levels.

14.9 Ground floor plan: Option 2 (see Appendix 1: Background Information s.O)

Whilst Option 2 largely follows the format of Option 1, the scale of the development has been altered with the public open spaces being treated slightly differently. The retail unit fronting the Green Street/Queens Road junction has been eliminated and the Selsdon Road/Rochester Avenue link maintained.

With the exception of the service areas therefore, the scheme is largely as described under Option 1 save that the actual unit sizes themselves differ.

In order to maintain the existing car parking the market store, which will become redundant upon the creation of a permanent market operation, will be adapted/redeveloped for a three level multi-storey car park creating a minimum of 206 individual car parking spaces for public use.

Servicing to the new permanent market unit will be largely in its current location save that a specific service area has been incorporated.

14.10 Unit sizes

A1/A3 retail:	2,200 sq ft
Retail units:	3,700 sq ft
Retail kiosk:	1,350 sq ft
Public house/A3 unit:	5,800 sq ft
Permanent market:	33,800 sq ft
Store unit:	56,500 sq ft

14.11 Option 3 (see Appendix 1: Background Information s.O)

Description

Option 3 is similar in its main respects to Option 1 save that the frontage to Green Street has been treated differently.

In order to try and create a strong pedestrian flow to the new permanent market a series of retail units fronting Queens Road have been incorporated enabling pedestrians to join a “shopper’s route” leading directly to the main store and market units under a covered mall creating a sense of belonging and a cohesive built form.

The first floor and parking arrangements are as set out within first floor plan Option 1.

14.12 *Unit sizes*

Retail units:	2,800 sq ft
A1/A3 units:	2,200 sq ft
Additional retail units:	3,700 sq ft
Retail/kiosks:	1,350 sq ft
Public House/A3:	5,800 sq ft
Market:	56,600 sq ft
Store unit:	56,500 sq ft

14.13 Option 4 (see Appendix 1: Background Information s.O)

Option 4 incorporates all of the advantages set out within Option 1 save that the exercise assumes the market is relocated off-site in its entirety and the scheme is given over to a new retail development.

The shopper’s route is centred around two main mall entrances with a variety of unit sizes in an attempt to create a destination shopping centre in keeping with the importance of Green Street in the retail hierarchy.

14.14 *Unit sizes*

Retail:	16,800 sq ft
	4,500 sq ft
	2,800 sq ft
	2,800 sq ft
	4,500 sq ft
	4,800 sq ft
	3,600 sq ft
	900 sq ft
	9,300 sq ft (various)
	9,300 sq ft (various)
	1,500 sq ft
	9,600 sq ft
	5,600 sq ft
	3,700 sq ft
	3,700 sq ft
	20,000 sq ft
	3,700 sq ft
	900 sq ft
Pub/A3:	5,800 sq ft

The scheme assumes that the upper parts are as set out on the first floor plan, Option 1.

14.15 Option 5 (see Appendix 1: Background Information)

Option 5 is a natural progression of Option 2 save that the store unit is eliminated with a larger market and series of retail units. Both the new permanent market and retail development share a common service area with the market having an extensive frontage to the retail customer route and a dedicated entrance from the Queen Street highway.

The scheme assumes the upper parts are as set out within the first floor plan, Option 1.

14.16 Unit sizes

Retail:	3,500 sq ft
	4,800 sq ft
	4,500 sq ft
	2,800 sq ft
	2,800 sq ft
	4,500 sq ft
	16,800 sq ft
	9,300 sq ft (various)
	9,300 sq ft (various)
	900 sq ft
	1,550 sq ft
Market:	55,700 sq ft

15.0 FINANCIAL IMPLICATIONS

Introduction

We have undertaken a detailed financial analysis of the five proposed schemes that have emerged from the feasibility study.

Each of the financial analyses that has been prepared makes certain assumptions in relation to the basis upon which the appraisals have been prepared as follows:

1 Sales Revenue: Residential

In consultation both internally within this practice and with a number of household name residential development organizations we believe that a realization of £225 per sq ft for a private housing development amounting to 254 flats over and above the area currently occupied by Queen's Market is both feasible and acceptable in terms of any major redevelopment of the site.

No allowance has been made to reflect the provision of affordable housing given that the exact ratios will be the product of detailed negotiations between a commercial residential developer and the local planning authority at some future date and, ultimately, the agreed percentages will only emerge as a result of detailed future discussions.

2 Market Rental Income

Each of the prepared schemes, with the exception of Option 4, propose the construction of a new market within the overall scheme of development.

The income from the market has been adjusted to £12.19 per sq ft to reflect the potential for market traders to trade over a 5/6 day period resulting from both the de-regulation of the street market itself and the new purpose built market environment.

The market rental has been treated and valued as a net income.

22 Retail Units

Each of the options proposes the provision of new retail accommodation which has been valued in accordance with current open market rentals achieved within the immediate vicinity.

4 Car Parks

All of the revised car parking arrangements have been valued upon the basis of the existing borough controlled tariffs based upon an agreed formula prepared by the London Borough of Newham.

5 Acquisition of Existing Retail Leases

We have given lengthy consideration to the potential use of compulsory purchase orders and the possible problems that might arise from "blight". However, and in summary we have reached the collective view that it is preferable to take a

“commercial view”. (see **Appendix 3: Financial Information s.17**)

The reality of the position is that in the final analysis a percentage of the occupational retail interests will be acquired by negotiation and it is by common consent usually the last few occupational leases which are the most difficult to acquire arising in larger payments on a pro rata basis.

Accordingly, we would therefore envisage a five phase exercise to secure the occupational interests as follows:

Phase I

From the market survey, we have identified 24% of the retail occupiers would consider surrendering their leases or downsizing their businesses and these parties would be encouraged to do so under Phase I.

Phase II

We would propose that all the shop occupiers who can reasonably be expected to move to a new market location simultaneously with the stallholders would be identified and new leases and terms for relocation would be agreed.

Phase III

In our experience as a result of Phases I and II a number of retail occupiers for varying social or financial reasons such as approaching the retirement age or failing businesses will, having previously indicated they would not wish to surrender their occupational leases, surrender at this stage.

Phase IV

Identify those retail occupiers who are prepared to “stick it out” and seek the maximum possible payment to secure their occupational leasehold interests.

Phase V

Again, from our prior experience we would anticipate that Phases I to III would identify up to 70% of the occupiers who will either surrender or agree to a re-site by negotiation and Phases IV and V could result in securing agreements with the remaining 30%.

We have undertaken a exercise to identify potential payments to the retail occupiers to secure surrender of their leases and/or compensation payments in order to relocate to the new market location which is enclosed within **Appendix 3: Financial Information s.17**.

Construction Timetable

The majority of the schemes, and specifically excepting Option 4, are based upon two development phases. Phase I allows for the construction of a new purpose-built market over a 12-month period with Phase II commencing once traders and retailers have relocated to their new site and consequently there will be no cessation of trading by stallholders or market retailers during the development period.

Construction Costs

With the exception of the calculations shown under appraisal 3 building costs have been calculated for the residential development at £110 per sq ft. This figure has been decided upon following detailed discussions with both the construction engineers and quantity surveyors. The figure is higher than might normally be anticipated for a scheme of this nature however our consultants are concerned that the figure should have sufficient flexibility to reflect landscape works, residential car parking arrangements and the site constraints.

The residual land values are highly sensitive to building costs and a reduction of £10 per sq ft has a knock on effect in the region of £2,000,000 on average in terms of the residual land value.

Upon the assumption that a contractor developer would pin back the building figures appraisal 3 shows the calculations undertaken at a figure of £100 per sq ft.

Freehold/Leasehold Interests

Finally, we have undertaken further appraisals to establish the relevant land values and rental income stream upon the basis that the London Borough of Newham as vendor either grants a long leasehold interest in relation to the upper parts or in turn takes the lease back upon the ground floor from the commercial developer. The appraisals assume that the purchaser is responsible for all the works to create the new ground floor and retail units along with the car parking position at their own cost save for Option 1.

Analysis of Options 1 to 5

We enclose herewith a summary regarding the financial implications of each option as follows:

The potential residual land values and income stream (subject to the caveats contained within this report) have been valued upon three alternative bases, as follows:

- 1** that the London Borough of Newham disposes of its freehold interest within the site in its entirety whilst retaining control of the sheltered housing unit.
- 2** that the site is sold to a commercial developer upon the basis that the acquiring party will undertake to construct and build a new market, at their own cost, which will remain in the ownership and control of the London Borough of Newham along with the sheltered housing block.
- 3** that a commercial developer undertakes to construct, at their own cost, the entire ground floor retail area, including the new market, at their own cost which will remain in the control and ownership of the London Borough of Newham.

Appraisal 1

eg the sale of the site in its entirety to a commercial developer with the exception of the sheltered housing block remaining in control of the London Borough of Newham.

15.1 Option 1

- a) Total development costs £57,614,065.
- b) Rental values:
 - Retail units: £945,813.
 - Market hall: £690,000.
 - Car Park: £117,392
- c) Construction period
 - Phase I (Market Hall): 12 months.
 - Phase II (Retail Residential): 21 months.
- d) Possession date of the new market facilities: Month 12.
- e) Potential capital payment to London Borough of Newham: £11,823,104.

Comments (see Appendix 3: Financial Information s.1)

In all instances the car parking income has been calculated on a net basis in accordance with the existing borough tariffs. The appraisal is shown under Section 1 of Appendix 3: Financial Information.

15.2 Option 2

- a) Total development costs: £55,295,310.
- b) Rental values:
 - Retail units: £942,775.
 - Market hall: £412,022.
 - Car Park: £119,526.
- c) Construction period
 - Phase I (Market Hall): 12 months.
 - Phase II (Retail Residential): 21 months.
- d) Possession date of the new market facilities: Month 12.
- e) Potential capital payment to London Borough of Newham: £10,931,432.

Comments (see Appendix 3: Financial Information s.2)

The residual land value is affected by reducing the size of the market hall which, pro rata, competes directly with the commercial A1 retail units in terms of rental generation. The appraisal is contained as Section 2 within Appendix 3: Financial Information.

15.3 Option 3

- a) Total development costs: £57,872,748.
- b) Rental values:
 - Retail units: £968,125.
 - Market hall: £690,000.
 - Car Park: £117,392.
- c) Construction period
 - Phase I (Market Hall): 12 months.
 - Phase II (Retail Residential): 21 months.
- d) Possession date of the new market facilities: Month 12.
- e) Potential capital payment to London Borough of Newham: £12,855,631.

Comments (see Appendix 3: Financial Information s.3)

Option 3, in purely financial terms, shows the highest potential residual land value potentially in the region of £12,855,631. The appraisal is shown as Section 3 within Appendix 3: Financial Information.

15.4 Option 4

- a) Total development costs: £56,313,584.
- b) Rental values:
 - Retail units: £1,326,500.
 - Market hall: not applicable.
 - Car Park: £117,392.
- c) Construction period
 - Phase I (Market Hall): not applicable.
 - Phase II (Retail Residential): 30 months.

- d) Possession date of the new market facilities: not applicable.
- e) Potential capital payment to London Borough of Newham: £6,266,963.

Comments (see Appendix 3: Financial Information s.4)

The appraisal reveals that by eliminating the market hall in its entirety the overall investment value is adversely affected considerably reducing the potential rental income. The market itself, despite an investment yield in double figures, generates a comparable return in comparison to a high street retail unit even after taking into account management costs. The full appraisal is shown as Section 4 within Appendix 3: Financial Information.

15.5 Option 5

- a) Total development costs: £55,142,396.
- b) Rental values:
 - Retail units: £740,500.
 - Market hall: £678,983.
 - Car Park: £117,392.
- c) Construction period
 - Phase I (Market Hall): 12 months.
 - Phase II (Retail Residential): 21 months.
- d) Possession date of the new market facilities: Month 12.
- e) Potential capital payment to London Borough of Newham: £9,728,659.

Comments (see Appendix 3: Financial Information: s.5)

The creation of a mall, with the subsequent increase in building costs on an overall basis to £81 per sq ft (in comparison with £65 for the "stand alone" units) whilst creating a more attractive potential retail environment has an adverse effect on the residual land value and, in overall terms, is a less valuable total development/investment package. The full appraisal is shown under Section 5 of Appendix 3: Financial Information.

Appraisal 2

eg The site is sold to a commercial developer upon the basis that the acquiring party will undertake to construct and build a new market, at their own cost, which will remain in the ownership and control of the London Borough of Newham along with the sheltered housing block. (see Appendix 3: Financial Information s.6 to 9)

Option 1a

Potential capital payment to London Borough of Newham £7,019,369.
Market rental income £690,000.

Option 2a

Potential capital payment to London Borough of Newham £8,062,975.
Market rental income £412,022.

Option 3a

Potential capital payment to London Borough of Newham £7,720,997.
Market rental income £690,000.

Option 4a

Not applicable.

Option 5a

Potential capital payment to London Borough of Newham £5,001,623.
Market rental income £678,983.

Appraisal 3

eg That a commercial developer undertakes to construct, at their own cost, the entire ground floor retail area, including the new market, at their own cost which will remain the control and ownership of the London Borough of Newham. (see Appendix 3: Financial Information: s10 to 14)

Option 1b

Capital payment to London Borough of Newham £623,575.
Rental income stream £1,753,205.
Loss of revenue during construction period £303,462.

Option 2b

Capital payment to London Borough of Newham £1,679,026.
Rental income stream £1,474,323.
Loss of revenue during construction period £303,462.

Option 3b

Site purchase price £520,366.
Rental income stream £1,775,516.
Loss of revenue during construction period £303,462.

Option 4b

Not applicable as resulting calculation creates a negative residual land value.

Option 5b

Site purchase price £294,334.
Rental income stream £1,536,875.
Loss of revenue during construction period £303,462.

TENANT DEMAND STUDY

As noted previously within this report, and as part of the overall exercise, a study in relation to potential tenant demand has been undertaken.

Whilst a number of responses have been received, this is a continuing process and as the results of those enquiries continue to be assessed any further positive responses received from potential occupational tenants will be reported separately over the coming weeks.

To date, nevertheless, we have identified the following requirements and copy letters from prospective retail tenants are attached within **Appendix 1 Queens Market, Newham Background Information: R.**

Store requirements

The majority of the potential schemes that have been illustrated show a major store able to create a flagship retail outlet. At this juncture we have identified the following potential occupiers.

Asda Stores Ltd: up to 80,000 sq ft

Tesco Stores: 56,000 sq ft

Additional retail demand

James Warren Jewellers: 1,000 sq ft

Bon Marché: between 3,000 and 5,000 sq ft

Linens Direct: between 3,000 and 5,000 sq ft

Clintons Cards: between 2,500 and 3,000 sq ft

Lidl: 13,350 sq ft

A3/Public house demand

J D Wetherspoon Plc: 5,000 sq ft

McDonalds Restaurants Ltd: 3,100 sq ft

Health and fitness unit

Fitness First: 15,000 sq ft

Hampshire Tennis and Health Clubs: 28,000 sq ft

With regard to the possibility of inclusion of a health and fitness unit within the development, it was not envisaged, at the outset, that there would be sufficient tenant demand to justify provision of the health club.

As part of the overall tenant mix, and to complement the residential development it might be possible, in the final analysis, to either incorporate the health and fitness unit within the residential scheme, with full public access or, to allocate part of the retail store unit at ground floor level.

Conclusion

The appraisals set out in detail within **Appendix 3: Financial Information** and summarised on pages 69-74 of this report show a series of potential options taking into consideration both various occupational and construction assumptions along with a series of potential bases of disposal.

In order to provide a common basis of comparison, we have undertaken an exercise to establish the current open market value of the London Borough of Newham's freehold interest within the scheme based upon the current rental income from both the street market and the existing retail units.

This is a difficult calculation to undertake given that there are a number of unusual characteristics in relation to the site which have a direct influence on its open market capital value including, and not least of all, the nature of the existing street market which under the London and Local Authorities Act 1990 is to be operated upon the basis of the annual rental income not exceeding the sum of the annual capital expenditure in running the market.

Consequently and taking all these factors into account, we are of the view that the current capital value of the existing Queens Market development is in the region of £3.5 million.

One of the financial cornerstones of this report is the proposal that the market should be reconstituted so that it becomes a commercial self-funding exercise with a sufficient profit rental to allow re-investment.

The legal basis upon which the licensed street status of the market can be revoked is set out within section 12, page 55 of this report.

Whilst, therefore, it is considered fundamental to the long term viability of the site that the legal status of the market is revoked we, nevertheless, are of the view that this exercise can be undertaken without a substantial or immediate increase in the market licence rental.

The existing income from the street market amounts to £381,000 per annum although there are, at the current time, 33 unlet pitches. By either bringing in a commercial market operator to act on behalf of the local authority or alternatively by creating a brand new purpose-built market environment which will attract further tenants' interest, it is believed that this exercise in isolation will create further rental demand. Therefore, for the purposes of each of the financial appraisals the rental value per square foot of the market has been increased from an average of £14.75 per stall to £17.48 per stall. In addition, the increase in market trading hours to a five or six day week will secure tenant loyalty and in itself be a factor in creating additional rental income.

Detailed consideration has been given to the proposed form of development in that it would create a number of complementary uses which will provide a living environment which has a broad spread of occupiers and uses to revitalise the area.

The inclusion of a major residential development along with public and social activities such as restaurants, a public house and potentially a health and fitness unit will ensure that there is activity upon the site over and beyond the usual retail trading hours and eliminate the open unused spaces which can be a factor in causing the current problems of vandalism and unauthorized uses of the site during evening hours.

As set out within section 2, this report attempts to address five fundamental ambitions with regard to the future of the Queens Market site as follows:

- 1 Establish the market as a vibrant and thriving retail offer within the core hierarchy.**
- 2 Make the market a centre of activity within a safe and secure environment.**
- 3 Establish a wide variety of shops, services and catering facilities.**
- 4 Establish new reasons for shoppers to visit the market, extending the dwell time of those who already use the market and increasing spending by shoppers.**
- 5 Develop an identify for Queens Market which will establish it as one of the premier retailing locations within the London Borough of Newham.**

Support for a change to the overall built environment was clearly established from the results of the surveys undertaken and there was a common recognition that the future of the site could only be secured through a major scheme of refurbishment or redevelopment.

Whilst section 15 (page 67) annotates the results of the various appraisals in detail, in order to provide an overview and summary of those individual analyses we have selected each of the optimum schemes of development under the three different alternatives as follows:

Appraisal 1

eg The sale of the site in its entirety to a commercial developer with the exception of the sheltered housing block remaining in the control of the London Borough of Newham.

Option 3

Potential capital payment to London Borough of Newham £12,855,631.

Appraisal 2

eg That the site is sold to a commercial developer upon the basis that the acquiring party will undertake to construct and build a new market, at their own cost, which will remain in the ownership and control of the London Borough of Newham along with the sheltered housing block.

Option 2a

Potential capital payment to London Borough of Newham £8,062,975.
Market rental income £412,022.

Appraisal 3

eg That a commercial developer will construct the entire ground floor retail area, including the new market, at their own cost, which will remain in the control and ownership of the London Borough of Newham.

Option 1b

Capital payment to London Borough of Newham £623,575.

Rental income stream £1,753,205.

Loss of revenue during construction period £303,462.

OR

Option 3b

Capital payment to London Borough of Newham £520,366.

Rental income stream £1,775,516.

Loss of revenue during construction period £303,462.

Of the fifteen different potential options available to the freeholders, we are of the view that either Option 1b or 3b is the optimum form of development. Each will meet the aspirations of the London Borough of Newham whilst providing a new built environment simultaneously retaining control of the entire commercial ground floor area with a long leasehold interest granted for what in effect amounts to an air rights residential development over and above the existing market hall with a new multi storey car park.

Before any final decision can be undertaken subject to the selection of a preferred option, further detailed enquiries need to be undertaken in relation to ground conditions and the resulting construction costs.

All of the fifteen options that have been illustrated rely heavily upon the generation of a core re-investment into the commercial ground floor from the proposed residential scheme.

The residual land value from the residential development in isolation is highly dependent upon the question of building costs per square foot which, with the exception of those calculations under Appraisal 3, have all been taken at a figure of £110 per square foot. This figure is higher than might be anticipated under similar circumstances as the professional team are concerned that there may be a number of unknown circumstances with regard to ground conditions and that the necessary piling which will need to be undertaken for a site adjoining an open underground line may cause disturbance to the operation of the railway.

In addition, the building programme assumes that a number of key occupiers such as the residents of the sheltered housing unit and the market traders themselves remain in occupation throughout the development period which will restrict the type of building scheme which can be undertaken and require a phased building programme.

It should be highlighted, therefore, that the preferred and recommended options under Appraisal 3 have assumed a reduced building cost of £100 per square foot for the residential scheme but treating the commercial areas of development upon exactly the same basis as Options 1 to 4.

CAVEATS

As annotated on page 69, this report is subject to the following caveats.

- 1 The calculations contained both herein and within the relevant appendices have been undertaken purely for illustrative purposes and should not be treated as valuations and are indicative opinions as to value only based upon the assumptions contained within this study.

In addition, we would also confirm the following:

- 1 No structural survey has been undertaken nor has there been any test of service installations or any site investigation or environmental survey.
- 2 We have relied upon information supplied as to the property tenure tenancies permitted uses and related matters. We have assumed that any such information is accurate and complete. In addition, we have not examined any title documents and therefore apart from any matters mentioned in our report, we have assumed that the site is not subject to any onerous restrictions, to the payment of unusual outgoings or to any charges, easements or rights of way.
- 2 We have made oral enquiries in relation to planning and highway matters and whilst various discussions and meetings have been held, no formal searches have been undertaken.
- 3 Floor areas: We have relied upon the information supplied with regard to the existing floor areas and no formal survey of the site has been undertaken.
- 4 Although the report reflects our general understanding of the individual tenants status, we have made no formal enquiries in relation to the current total rental receivable and have relied upon information supplied.
- 5 The appraisals undertaken have been carried out by general practice surveyors making appropriate investigations having regard to the purpose of the report itself and must not be treated as formal valuations.