



# Towns Conference

Funding markets, development finance and addressing your  
viability challenges

**Simon Turner**

June 2023





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## Addressing your viability challenges

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Department for Levelling Up,  
Housing & Communities

# Introduction

- Longstanding Challenges and Pitfalls
- Current Issues and Challenges
- The Path to Success
- Q&A





# Common Challenges and Pitfalls

- Evolving property sectors – retail, offices, residential
- Emerging trends accelerated by the pandemic
- Flight to prime
  
- Viability of town centre regeneration
- Fragmented ownership / land assembly
- A slow process



# Excess Retail Space

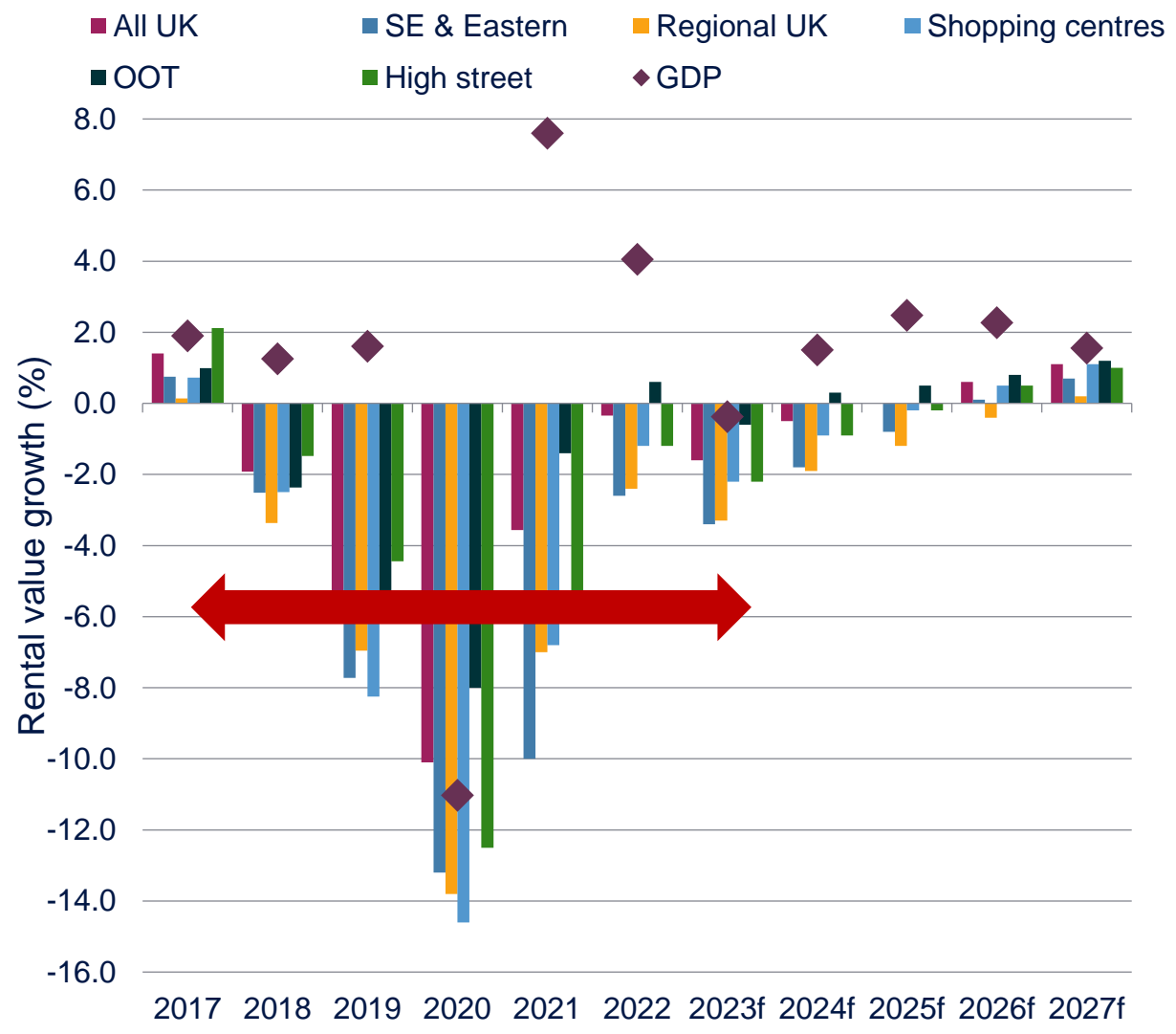


**150** million sqft  
retail voids  
in 2022

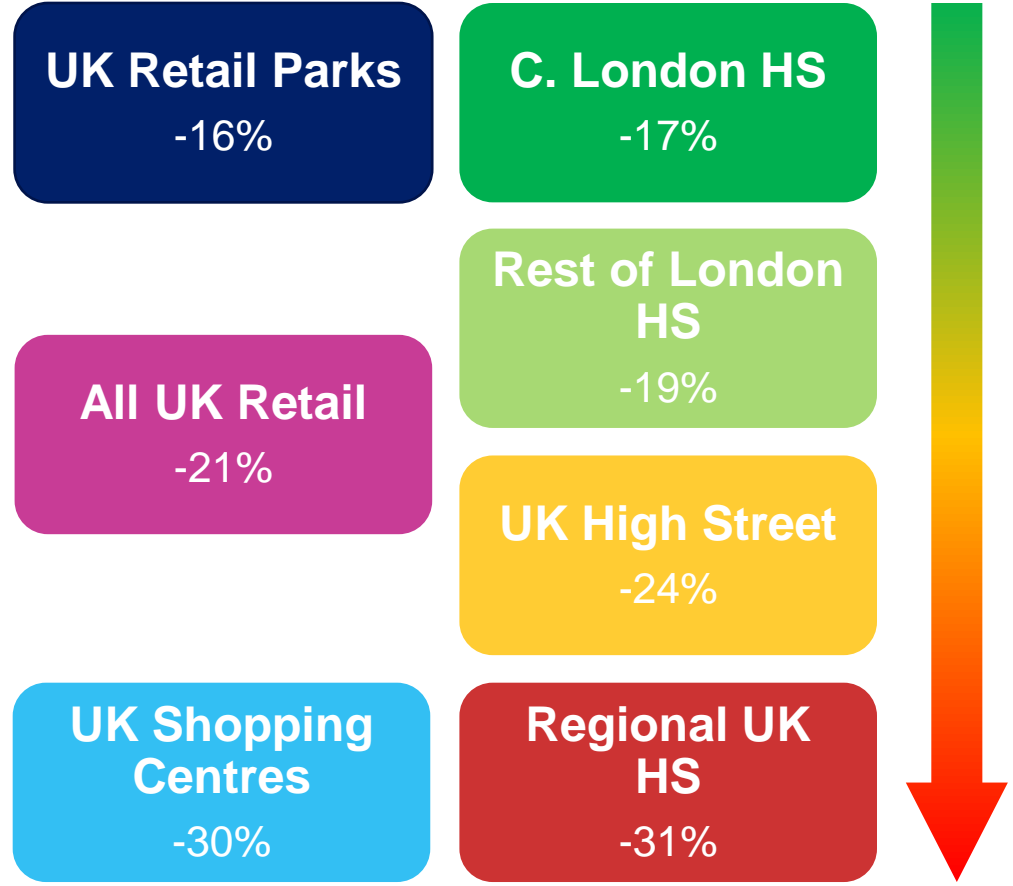
**40%**  
long term  
voids

**300** million sqft  
oversupplied  
by 2030

# Retail rental dip or rebasing?



## Total rental decline (2023 vs 2017)



# Business rate revaluation – a success...or creating a divide?





# Current Issues and Challenges

- Uncertainty around values – significant variance by sector and location
- Build cost inflation
- Rising borrowing costs
- Cost of living crisis
- Occupier demand
- Insolvency and administration







# Other pressures are surfacing

EPC

2023 – 185m sqft

2030 – 1.4bn sqft

83% of stock to be improved



# Current Issues and Challenges

- Recent soft market testing:
  - Values
  - Viability
  - Phasing and delivery
  - Securing vacant possession
  - Procurement process

Wythenshawe Civic Centre – Soft Market Testing

Developer	
Attendees	
Date	

Questions	Response
1. What's your initial view on Wythenshawe Civic Centre in its current format?	
2. Having reviewed the development framework do you have any general comments on the development proposals?	
3. Are you happy with the proposed mix of uses and if not what would you seek to change?	
4. Given your experience - what main barriers to delivering the interventions would you envisage? Physical, financial, market, political, social?	
5. How do you propose to centre will be managed moving forward? Directly by yourselves, appointed agent or otherwise.	
6. How would you propose to change perceptions of Wythenshawe through the development?	



# The Path to Success

- No perfect time to commence town centre regeneration and the process takes time.
- Identify the right partners
- Procurement must be robust, but keep it simple & concise





retail



leisure



F&B



wellbeing



working



living



education



hotel



culture



realm



transport

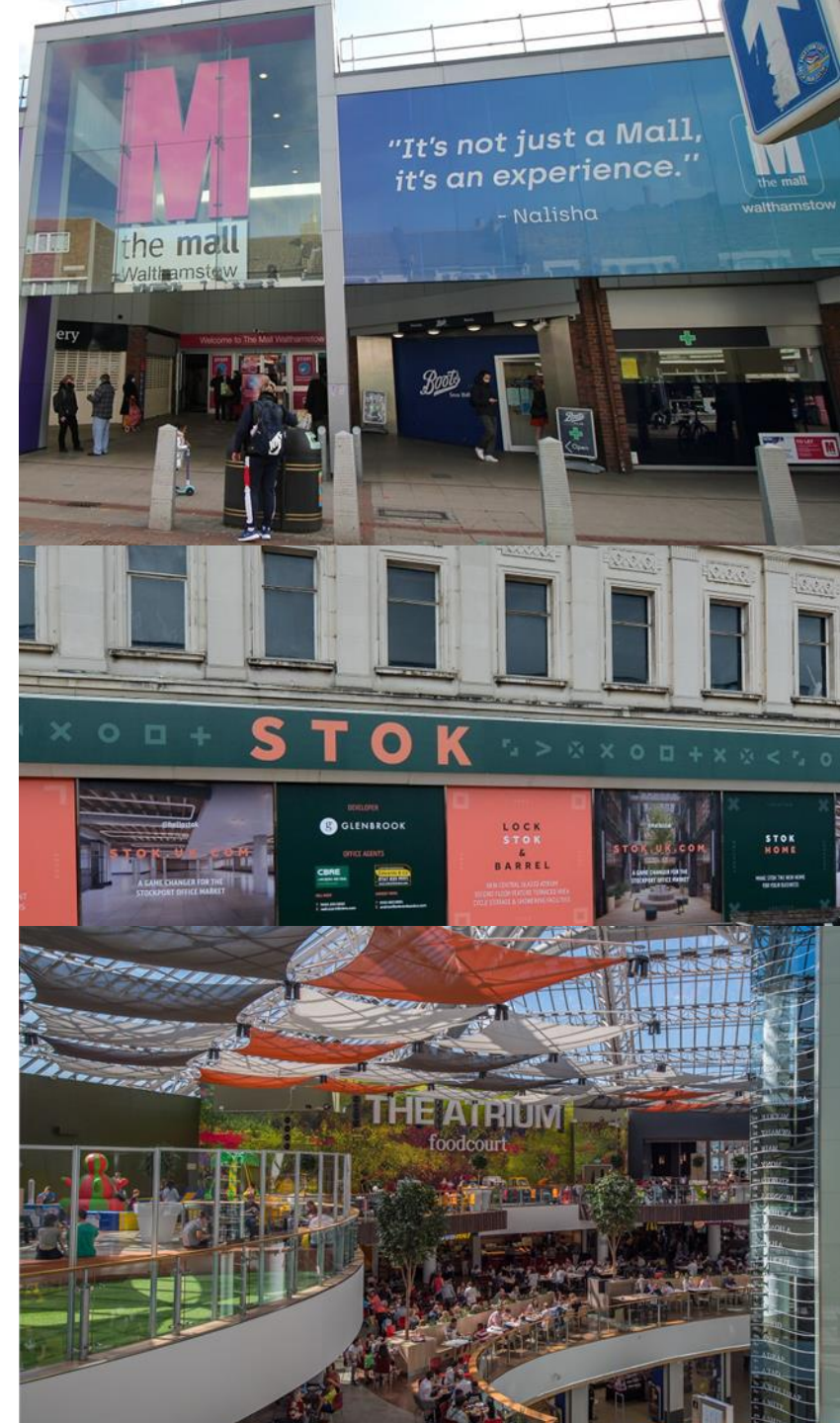


health



# The Path to Success

- Create the identity and buzz
  - Invest in quality of place/amenity
  - Opportunities for meanwhile uses
  - Services and facilities that draw people
- Flexibility and willingness to review and amend the plan





# Questions?



Department for Levelling Up,  
Housing & Communities

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