



GVA

Evolving Cities

**The changing
face of Leeds**

John Lewis

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Evolving cities

The UK's cities are undergoing a renaissance. Large scale place making schemes are dramatically improving how they are perceived, making them more desirable places to live and work, and better able to attract new people and businesses.

The Changing Face of Leeds is part of our series of reports looking at how the UK's key cities are evolving and the transformational change that is occurring, either in terms of the scale of regeneration activity or a shift in perception.

For each city, we identify the key locations where such change has occurred over the last 10 years, and the major developments that continue to deliver it. We then explore the key large scale regeneration opportunities going forward.



Leeds today

Leeds has historically been an industrial city but today has one of the most diverse economies of the UK's major employment centres. It is the leading financial and business services centre outside of London and is third behind only London and Cambridge for fast growing firms.

Substantial economic growth has been realised through major regeneration programs securing employment growth; public and private sector investment; business and residential population growth and a flourishing city centre.

Like many of the former industrial powerhouses, Leeds experienced a painful decline during Britain's industrial slump. Physical regeneration and redevelopment have been vital to Leeds' recovery and will continue to be integral if Leeds is to achieve its ambition of being the 'Best City in the UK' by 2030. Its industrial heritage is still very evident today and historic features such as the Corn Exchange,

Kirkgate Market, Thwaites Mill and the Holbeck area all contribute greatly to the city's character.

The recent completions of Central Square and Sovereign Square, both significant commercial schemes, delivered a large amount of Grade A space, 285,000 sq ft of which remains available. In addition there is a further 200,000 sq ft of speculative space under construction at 3 Wellington Place and extensive redevelopment at City House, which has been rebranded as The Platform.

There is currently an exciting renaissance in Leeds, fuelled by economic growth and prosperity and the outlook for the next 10 years is promising.

Leeds is now one of the largest retail centres in the UK and the Trinity Leeds development that completed in 2013 is an excellent example of how a city centre can be reinvigorated by a large scale retail scheme. Trinity delivered 1 million sq ft of retail and leisure space and has acted as a significant catalyst for further investment. Retail yields in the city centre have compressed gradually since Trinity's opening, to 4.75% in Q4 2016, compared with 5.75% in Q4 2014.

More recently the Victoria Gate development has opened, delivering almost 500,000 sq ft of further retail and leisure space, anchored by the largest John Lewis outside of London. This represents the first

stage of a two phase scheme that will continue to improve the area. The traditional city centre on the north of the river will continue to be developed and regenerated over the next 10 years, further transforming the location.

The first section of this report identifies the schemes from the last 10 years that brought about Leeds' evolution. The scale of the schemes we look at varies, for some the size of the project alone would warrant inclusion, others are smaller but have had a very significant impact. They have all contributed iconic buildings, public spaces and significantly contributed to the changing face of Leeds.

2007 – 2017

1
Victoria Gate & Trinity Leeds



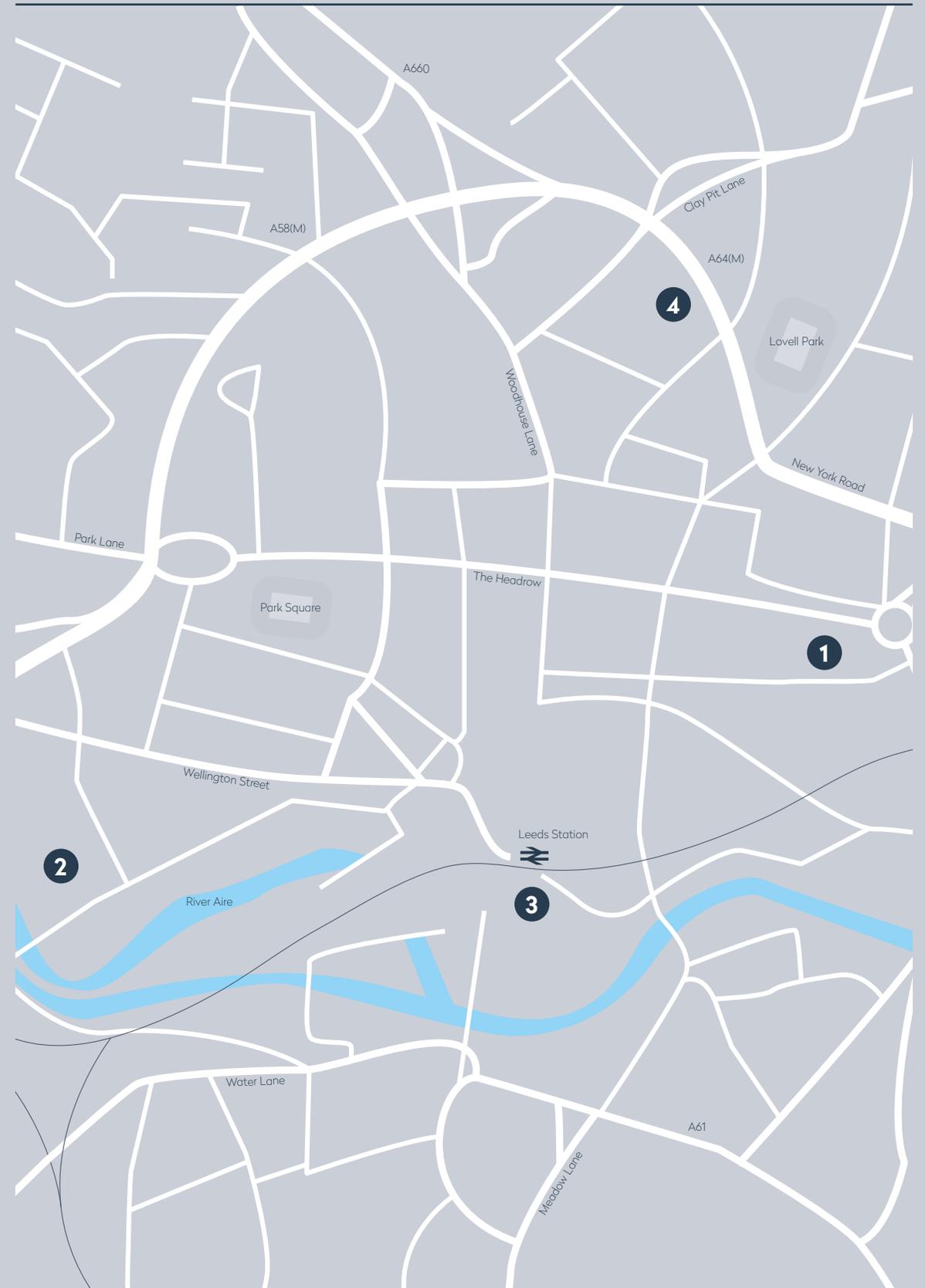
2
Wellington Place



3
Sovereign Square



4
Leeds Arena



Victoria Gate & Trinity Leeds

Victoria Gate is a major retail-led development in the north eastern quadrant of Leeds city centre. It covers approximately 7 hectares of land which previously consisted of surface car parks and under-used buildings.

It had been a long-held ambition of the Council for the site to be redeveloped and Hammerson commenced development in 2013. This 1st phase delivered 500,000 sq ft of retail and casino space, anchored by the largest John Lewis in the UK. The development opened in October 2016.

To complement Victoria Gate, Hammerson acquired the Victoria Quarter in 2014. This is an established luxury shopping arcade, built in the early 20th century. Together the Victoria Quarter and Victoria Gate create a unique shopping destination in the north of England with over 100 high-end retailers.

The retailer line-up has introduced major national and international names to the city, in many cases representing their first stores outside of London. A 50,000 sq ft casino has also opened within the development, providing a unique attraction for the city and city region.

A further phase of Victoria Gate will be progressed over the coming years, with a likely focus on retail and leisure uses. This could accommodate up to 1 million sq ft.

Trinity Leeds transformed the city's retail offering when it opened in 2013, delivering 1 million sq ft in the form of a modern shopping centre, and attracting major tenants. It is located in the centre of the city's core retail area and regenerated the location, which had become dilapidated and undesirable.

Victoria Gate and Trinity Leeds present a complimentary offering and together have made Leeds one of the UK's top performing retail destinations. Trinity provides a comprehensive range of mainstream, high street brands while Victoria Gate offers a distinctive variety of aspirational and upmarket retailers.



Wellington Place

Wellington Place is a major on-going mixed-use scheme in central Leeds. The site covers approximately 22 acres and when complete will create a vibrant new urban quarter.

The scheme is developed around a central square which is focussed on the listed Railway Lifting Tower, helping to give it character and identity. There is a strong focus on design, with landscaped street frontages into the surrounding roads and fluid connections throughout the scheme. It has a strategically excellent location, with close proximity to Leeds station, the A58 and Trinity Leeds.

In total the scheme will deliver 1.5 million sq ft of commercial, retail, leisure and residential accommodation. So far 336,000 sq ft of office and retail space has been completed with a further 106,000 sq ft office building due for completion in December 2017. The scheme has been very successful so far with significant pre-let agreements and the 105,850 sq ft 6 Wellington Place being fully let within a month of completion.

The quality and specification of space on offer has really raised the bar for Leeds and is catering to prime Grade A office demand in the city from a range of sectors. 6 Wellington Place won Commercial Property of Year at the RICS regional awards and all the buildings are targeting top BREEAM ratings.

Wellington Place will also deliver almost 200,000 sq ft of residential space targeting demand for prime residential accommodation in the city centre. The scheme's amenities include a health & fitness club, a Crowne Plaza Hotel and a range of restaurants and bars. Ultimately there will be around 12,000 people living and working at Wellington Place.

The scheme is managed and developed by MEPC and has been funded by Canada Pension Plan Investment Board and Hermes Real Estate.



Sovereign Square

Sovereign Square is an on-going commercial led scheme in Leeds city centre. It has been included because of its significance for the Leeds office market and its impact on the location, dramatically increasing density and bringing footfall and vibrancy to the area. It also has an important role in connecting the traditional city core to the on-going regeneration of South Bank, including the proposed HS2 station.

Sovereign Square has a prime location adjacent to Leeds Station and comprises Grade A office buildings with landscaped green space as a focal point. So far One Sovereign Square has been delivered and received wide-spread praise for its design and specification. It is 60,000 sq ft and was pre-let entirely to KPMG and now serves as their Yorkshire headquarters accommodating around 600 staff.

Two Sovereign Square is the remaining development opportunity on the site and is currently under offer. It does not yet have any planning permission but will be expected to be a similar height and size to the existing buildings, although with cantilevering, larger floor plates could be achieved at the higher levels.

Three Sovereign Square completed in summer last year bringing another 83,500 sq ft of Grade A office space to the scheme, along with 10,750 sq ft of retail. The building was largely pre-let to Addleshaw Goddard who took 50,000 sq ft on a 17.5 year lease.

Leeds City Council acquired the building from Bruntwood Estates and Kier Property for close to £44 million in mid-2016. The purchase is strategic from the council as its location is ideal to help the council advance plans to develop the South Bank and grow the Enterprise Zone.



Leeds Arena

This is a wide area of on-going regeneration in northern Leeds focussed around the First Direct Arena which, although divisive in appearance, is now one of the most recognisable structures in the country.

The arena has capacity for 13,500 people and filled a major gap in the city's cultural and leisure offering, it was one of the UK's only major cities previously without an arena. There have been various failed plans to deliver an arena over the last twenty years and it was eventually developed by Leeds City Council and Town Centre Securities, completing in 2011.

Further regeneration in the Arena Quarter is ongoing with the redevelopment of the former Merrion Hotel site and The Merrion Centre. This will include a new hotel and around 80,000 sq ft of new retail and leisure space and significant car parking provision. Approximately 75% of the scheme has been pre let.

According to Leeds City Region Partnership, the arena will generate £25 million in additional revenue for the city and an extra 70,000 overnight stays each year for the city's hotels.

The Merrion House office building is also being comprehensively revamped and modernised. This will deliver 170,000 sq ft of office space and will be occupied by Leeds City Council. The project is being delivered by the council and Town Centre Securities.

A further hotel scheme in the Quarter has stalled due to the main contractor, GB Building Solutions, going into administration. The site, directly adjacent to Leeds Metropolitan University's Rose Bowl conferencing facility, is just 300 metres from the First Direct Arena. This was due to be a 206 bed Hilton Hotel and had received £4.8 million of LEP funding. A tendering process is now underway to instruct a new contractor and it is estimated that it would take around a year to complete the work.



Leeds tomorrow

Looking forward, Leeds South Bank offers huge opportunity for growth and development.

It has already seen remarkable transformation in the last ten years and on-going demand has led to the development of a new Southern Entrance at the rail station. This will further unlock the South Bank giving more direct access to the expanding development area.

The areas of Holbeck Urban Village, South Bank Central and Leeds Dock have the potential to deliver around 8 million sq ft of space over the coming decade. The area already has an exciting cultural offering and its continued development will be

integral to Leeds' bid to be European Capital of Culture in 2023.

South Bank will be home to Leeds' HS2 station, bringing new levels of national and international connectivity to the city. The area around the station will offer a host of lucrative development opportunities and the presence of the station itself will be a further catalyst for investment in Leeds and South Bank.

Burberry's commitment to build a new £50 million factory in Leeds' South Bank and Vastint's plans for

the Tetley Brewery site are prime examples of investor confidence in the city's future.

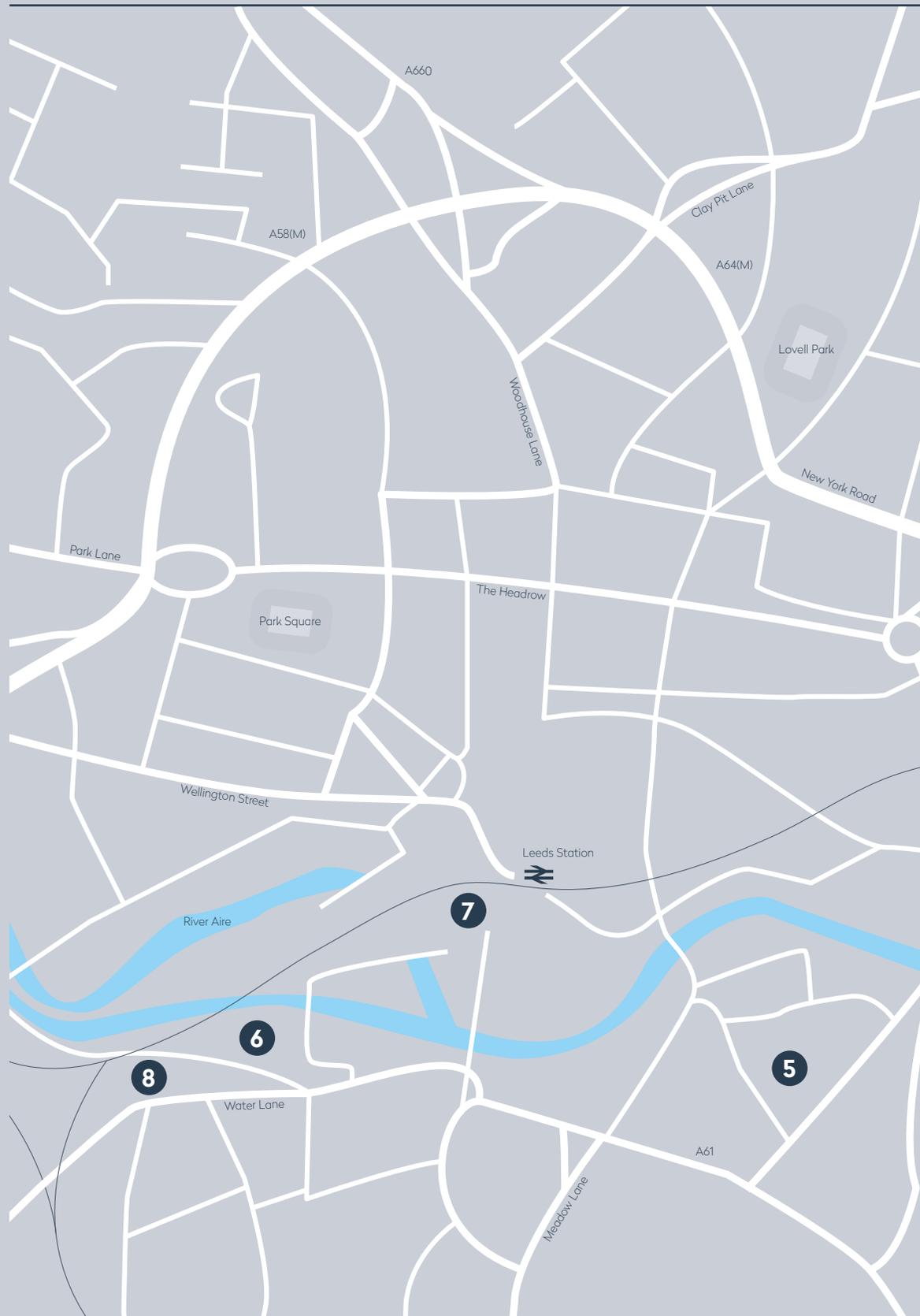
Leeds internal infrastructure will receive a boost through £173 million of funding to be invested in public transport in the city region before 2021. Additional support from West Yorkshire Combined Authority and private sector stakeholders increases the funding available for Leeds City region to £270 million.

Leeds has been pretty successful in building homes, despite over

delivery and too much speculative development in the run up to the financial crisis. Over the past decade, the city has experienced a large inward migration of economically active people looking for better quality of life.

Looking forward, the Council's goal is to deliver around 11,500 new homes in the city centre over roughly the next ten years. This is ambitious but fulfilling the target is important if Leeds is to continue to thrive and attract and retain residents.





2017 – 2027

5
Tetley Brewery



6
Tower Works



7
HS2 station



8
CEG: South Bank (Temple Quarter)



Tetley Brewery

The site of the former Tetley Brewery is one of the biggest and most exciting development prospects on Leeds' South Bank. The main art deco building is an important part of the city's heritage and is currently being used as an art gallery and for other creative functions.

Vastint acquired the 16.5 acre site in 2015 and in September last year laid out a pre-application presentation with their vision for the site. The development will be a multi-phase, mixed use scheme, incorporating the unique character of the existing building.

The first phase covers the area between Waterloo Street, Crown Point Road, Meadow Lane and the A61. It is expected to deliver around 1,000 homes, a 400 bed hotel, 915,000 sq ft of commercial space and 161,450 sq ft of retail and leisure. It is suggested that future phases of the scheme could be higher density and deliver more homes.

The housing provision at the site is significant and will be a sizeable contribution towards the city's housing development ambitions in central locations.

As South Bank evolves and The Tetley site is regenerated it should become a very desirable residential location, adding to Leeds' appeal to aspirational economically active workers. The development will also connect the areas and communities in southern Leeds to the rest of South Bank, the city centre and ultimately the HS2 station.



Lubaina Himid, Susan Walsh, Matthew Birchall and Tao Lashley-Burnley. The Feast Wagon Double Cart, 2015. Image courtesy of the artists. Photography by Jules Lister.

Tower Works

Tower Works is a very identifiable site just over the river from the railway station and Granary Wharf development. Its most notable feature is the three towers that give it its name.

These were formerly industrial and were heavily influenced by Italian architecture and are all now listed structures. The towers and adjoining Engine Room were initially refurbished in 2012 to provide 18,000 sq ft of office space specifically designed for growing businesses. This was driven by the HCA and a number of the tenants have since become high profile successes.

The second stage of the scheme started in June last year, aiming to build on this achievement and also to preserve the historic buildings. It will deliver 90,000 sq ft of commercial office space, 24,000 sq ft of retail, restaurant and bar space and 158 homes. The residential units will be a mix of 1, 2 and 3 bed apartments and town houses.

The scheme will continue to have a focus on providing flexible office space for high growth, innovative businesses. Its success to date and the agglomeration of creative/media industries in the surrounding area, combined with the excellent strategic location, position the project well for the future. It is a key site in the South Bank regeneration and will have an impact on the wider area and stimulate further investment.

It is being delivered by Creative Space Management, HCA and Carillion and the project is linked to European Union investment, specifically the European Regional Development Fund.



HS2 station

Leeds station will be re-modelled into an integrated 'Yorkshire Hub' to accommodate HS2 alongside regional and local services.

With new HS2 lines and platforms reaching directly into the existing Leeds station, the HS2 service in Leeds will offer easy access to the city centre, South Bank and the Waterfront. This will help to make the revamped station an integral part of the city, as well as a new prime public space for retail and service facilities.

The ambition set out by Leeds City Council and partners is for Leeds station to become a key national landmark and transport interchange featuring high-speed HS2 and regional services. A new southern entrance to the station has recently been completed, providing a direct link to the city's growing South Bank area – opening up access to South Bank Central, Holbeck Urban Village and the Leeds Dock and Hinterland developments. The station is a pivotal economic driver and asset for the city and region.

Since the announcement of Phase Two of HS2, £500 million of investment has been attracted to Leeds, including Sky's Technology Hub, which opened in 2016 and Vastint's acquisition of the 22 acre Tetley Brewery site, its only UK investment outside London.

The redevelopment of the station is expected to provide approximately 13,000 new jobs and have a key role in the evolution of the South Bank area, which will effectively double the size of Leeds city centre. Ultimately the South Bank expansion will deliver 35,000 jobs and 4,000 homes.

Journey times will reduce significantly, with 50 minutes off the time to London, and the journey time to Birmingham more than cut in half. Leeds' connectivity is already one of its major assets and the HS2 station will continue to build on this, integrating the city into Europe's high speed rail network.



CEG: South Bank (Temple Quarter)

CEG: South Bank refers to adjacent sites on the western edge of Leeds' South Bank, also known as Temple Quarter, with part of the site in the Holbeck Conservation area.

Consequently the site has a number of historic buildings and structures which, as seen elsewhere in Leeds, will be incorporated into the proposed regeneration to help establish identity and drive character. The scheme will restore underused and challenging brownfield land close to the city centre.

The site was acquired in 2015 through CEG, who have extensive experience in Leeds, with a view to a £350m regeneration. It totals 5.86 acres and pre-application documents have since been submitted to the Council.

The emerging masterplan is for a residential led scheme, following earlier proposals for it to be commercially focused. It would provide large areas of public realm including new and enhanced pedestrian routes. CEG is targeting

submission of a planning application, part in detail, part outline, in spring this year.

The centrepiece of the current proposals is a 40 storey residential tower that would be Yorkshire's tallest building. The concept was met with a positive reaction in January 2017 and in total the scheme would deliver around 550-600 homes, including a second 25 storey residential tower. This will be an important contribution to the supply of high quality city centre homes which are in demand.

The likely office provision will have large modern footplates, targeting a wide range of potential occupiers, along with flexible space capable of sub-division. It is expected the majority of the buildings will have ground floor retail or leisure uses and the regeneration will focus on extremely high quality public realm.



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