

COMMERCIAL MARKETING AND VIABILITY ASSESSMENT

42 North Street, Havant, PO9 1PT

Proposed Change of Use from Commercial Premises to Residential Use

1. Introduction

This Commercial Marketing and Viability Assessment has been prepared in support of a planning application relating to 42 North Street, Havant, PO9 1PT.

The purpose of the assessment is to demonstrate that the existing commercial property has limited prospects of being retained in a viable commercial use and that there is a substantial supply of alternative commercial premises available within Havant.

The assessment considers the current availability of commercial property for sale and lease within Havant and the extent to which competing premises are being actively marketed.

The evidence identifies a substantial supply of commercial accommodation across a range of sectors, including offices, retail premises, industrial and warehouse units, mixed-use investments and development opportunities.

The quantity and variety of available commercial property is considered to provide evidence of a competitive and well-supplied commercial property market. This is relevant to the prospects of securing a suitable commercial occupier for the application property.

The proposed residential use would therefore provide an alternative viable use for the property where continued commercial occupation is not considered reasonably achievable.

2. Existing Property

42 North Street is an existing commercial property within Havant.

The property forms part of the established built-up area and is located within an area where there is a significant amount of existing and alternative commercial accommodation.

The property is therefore competing for potential commercial occupiers against a considerable supply of other premises within Havant.

The purpose of the marketing exercise is not to suggest that all commercial premises currently being advertised are directly interchangeable with 42 North Street. Rather, the evidence demonstrates the overall level of available commercial stock within the local market and the range of alternative premises available to businesses seeking accommodation.

This is an important consideration when assessing whether there is a realistic prospect of securing a commercial occupier for the application property.

3. Commercial Property Market Evidence

A review of commercial property currently being marketed within Havant identifies a substantial supply of premises available for sale and/or lease.

The properties identified include:

- commercial investment properties;
- mixed-use buildings;
- development opportunities;
- office accommodation;
- retail premises;
- industrial units;
- warehouse accommodation; and
- hospitality premises.

The following examples demonstrate the extent of the available commercial property market.

4. Commercial Properties Currently Offered for Sale

4.1 Investment and Mixed-Use Properties

2–16 Park Road South, Havant PO9 1HB

A substantial multi-let commercial investment/development opportunity extending to approximately 22,410 sq ft.

The property is being marketed at approximately £2.5 million, with an existing rental income of approximately £225,680 per annum and further reversionary potential.

This represents a significant commercial investment opportunity within Havant and demonstrates the availability of substantial commercial accommodation within the local market.

South Park Court, Havant

A mixed-use investment incorporating ground-floor retail accommodation with residential accommodation above.

The property is being marketed at approximately £1.79 million.

4.2 Development Opportunities

Former Colt International Site, New Lane, Havant PO9

A cleared development site of approximately 84,000 sq ft, marketed as a development opportunity with a guide price of approximately £1.5 million.

Land at West Street, Havant

A substantial development opportunity of approximately 199,000 sq ft, marketed as a residential development opportunity subject to planning.

The Tannery, Brockhampton Road, Havant

A freehold redevelopment opportunity extending to approximately 31,363 sq ft.

These opportunities demonstrate that substantial commercial/development land and buildings remain available within the Havant market.

5. Industrial and Warehouse Accommodation

Unit C9, Endeavour Business Park, Penner Road

A self-contained business unit extending to approximately 1,401–2,804 sq ft, marketed at approximately £440,000.

Unit C5, Cairo Place, Penner Road

An industrial investment property extending to approximately 3,891 sq ft, currently marketed for sale.

These properties provide alternative accommodation for commercial businesses seeking premises within the established Havant employment areas.

6. Retail and Hospitality Properties

The Bear Hotel, East Street, Havant

A substantial town-centre freehold hotel comprising approximately 42 bedrooms, marketed at approximately £1.2 million.

58 West Street, Havant

A restaurant premises incorporating a self-contained flat, extending to approximately 1,976 sq ft, marketed at approximately £500,000.

40–40A West Street, Havant

Retail premises extending to approximately 4,799 sq ft, marketed at approximately £525,000.

198–200 Dunsbury Way, Havant

Office accommodation extending to approximately 2,131 sq ft, marketed at approximately £275,000.

The range of premises available demonstrates that commercial operators have a considerable choice of alternative accommodation within Havant.

7. Commercial Properties Currently Offered To Let

The evidence of properties available to lease further reinforces the level of supply within the Havant commercial property market.

7.1 Industrial and Warehouse Accommodation

Langstone Park Phase II, Langstone Road

New-build warehouse/distribution accommodation ranging from approximately 31,693 sq ft to 66,806 sq ft.

Unit 5, Langstone Park

Approximately 35,113 sq ft of warehouse accommodation.

Unit 6, Langstone Park

Approximately 31,683 sq ft of warehouse accommodation.

Unit 9, Kenwood Industrial Park

Approximately 41,542 sq ft of industrial/warehouse accommodation.

Spring Business Park, New Lane

Industrial/warehouse units ranging from approximately 5,170 sq ft to 16,264 sq ft.

The availability of these premises demonstrates a substantial supply of industrial and employment accommodation within Havant.

8. Office Accommodation

Public Service Plaza, Civic Centre Road

Fully fitted office accommodation ranging from approximately 3,385 sq ft to 7,583 sq ft, with rents from approximately £44,000 per annum.

Langstone Park Offices

Modern office accommodation ranging from approximately 1,200 sq ft to 22,249 sq ft.

Langstone Gate, Solent Road

Flexible office suites of varying sizes, marketed from approximately £125 per workstation per month.

4 Penner Road

A substantial office campus providing approximately 118,000 sq ft of available accommodation.

The availability of office accommodation across a wide range of sizes demonstrates that businesses seeking office premises have numerous alternatives within the local market.

9. Retail Accommodation

The retail market also demonstrates a significant supply of available premises.

41–43 Market Parade

Approximately 1,294 sq ft, marketed at approximately £16,500 per annum.

54 West Street

Approximately 951 sq ft, marketed at approximately £16,500 per annum.

46 West Street

Approximately 587 sq ft, marketed at approximately £13,500 per annum.

1 Park Road South

Detached commercial premises of approximately 592 sq ft, marketed at approximately £13,250 per annum.

The availability of several smaller commercial units is particularly relevant when considering the prospects of securing an occupier for a smaller existing commercial property.

10. Assessment of the Market

The evidence identifies a substantial quantity of commercial premises currently available within Havant.

Importantly, the available accommodation is not confined to one particular commercial sector. There is a broad range of:

- retail premises;
- offices;
- industrial units;
- warehouses;
- mixed-use properties;
- hospitality premises;
- investment properties; and
- development opportunities.

There is also considerable variation in the size and type of accommodation available.

This indicates that businesses seeking commercial accommodation within Havant have a significant range of alternative properties from which to choose.

Consequently, the application property would be competing within an established and highly competitive commercial property market.

The availability of comparable and alternative premises reduces the likelihood that a prospective occupier would need to secure 42 North Street in order to operate within Havant.

11. Implications for 42 North Street

The commercial market evidence is relevant to the prospects of retaining 42 North Street in commercial use.

A prospective occupier has access to a substantial range of alternative premises within Havant, including premises that are:

- available immediately;
- available for lease;
- available for purchase;
- purpose-built;
- modernised or fitted out;
- located within established employment areas; and
- available in a range of floor areas.

This creates significant competition for existing commercial properties that may be less attractive to prospective occupiers because of their configuration, condition, accommodation, accessibility, servicing arrangements, operational requirements or other site-specific characteristics.

Accordingly, the continued allocation of the property to commercial use does not necessarily mean that a viable commercial occupier can realistically be secured.

The evidence instead indicates that there is a substantial supply of alternative commercial accommodation within the Borough.

12. Marketing Considerations

The purpose of commercial marketing is to establish whether there is a realistic and viable demand for the existing use.

The assessment of the local market should therefore take account not simply of whether commercial premises are theoretically capable of being occupied, but whether there is a realistic prospect of securing an occupier having regard to the availability of competing premises.

The evidence assembled for 42 North Street demonstrates that a prospective commercial occupier is faced with a substantial choice of alternative properties.

This is particularly significant where competing premises are being offered at a range of sizes and rental or capital values.

The existence of substantial competing stock means that continued commercial use of 42 North Street cannot reasonably be assumed to be commercially viable solely because the property is capable of being used for commercial purposes.

13. Commercial Viability

The evidence supports the conclusion that the Havant commercial property market is currently characterised by a significant level of available stock.

There are numerous commercial properties available for both sale and lease, extending from relatively small retail and office units to substantial office, industrial and warehouse premises.

This provides evidence of a competitive commercial market and demonstrates that businesses have considerable choice when selecting premises.

In these circumstances, retaining 42 North Street exclusively for commercial use would need to be supported by evidence of realistic and demonstrable demand for the property.

The current level of competing commercial accommodation indicates that such demand cannot be assumed.

The proposed residential use would instead provide an alternative viable use for an existing building within the established urban area, whilst avoiding the property remaining vacant or under-used because of a lack of commercial demand.

14. Relationship with Planning Policy

The assessment has been prepared to assist Havant Borough Council in considering whether the existing commercial use remains viable and whether there is a reasonable prospect of the property continuing to fulfil a commercial function.

The National Planning Policy Framework places emphasis on supporting the role of town centres and maintaining an appropriate supply of employment and commercial land and premises. However, this does not mean that individual commercial premises must necessarily remain in a particular use where there is clear evidence that the premises are no longer commercially viable.

The relevant planning assessment should therefore consider the evidence of actual and potential demand, the availability of competing commercial premises and whether retaining the property in its existing use would provide a realistic contribution to the local commercial economy.

In this case, the significant supply of alternative premises identified within Havant is material evidence when considering the continued commercial viability of 42 North Street.

15. Conclusion

The commercial market assessment has identified a substantial amount of commercial property currently being offered for sale and lease within Havant.

The available accommodation encompasses a broad range of property types, including retail, office, industrial, warehouse, mixed-use and hospitality premises.

There is also a significant range of floor areas and property values, providing prospective commercial occupiers with considerable choice.

The evidence demonstrates that 42 North Street is operating within a highly competitive commercial property market in which there is substantial existing and available commercial accommodation.

The volume of alternative premises means that there is no compelling commercial reason why a prospective occupier would need to secure 42 North Street in order to operate within Havant.

The continuing availability of numerous commercial premises also indicates that the local market is capable of accommodating commercial occupiers elsewhere without relying upon the continued commercial use of this particular property.

Having regard to:

1. the substantial quantity of commercial property currently available within Havant;
2. the range of alternative premises available to prospective occupiers;
3. the availability of premises for both sale and lease;
4. the availability of smaller retail and office units as well as larger employment premises;
5. the competitive nature of the local commercial property market; and
6. the lack of evidence that there is a specific unmet commercial demand requiring the retention of 42 North Street,

it is considered that the existing commercial use of 42 North Street is unlikely to provide a realistic and sustainable use of the property in the longer term.

The proposed residential use would provide a viable alternative use of an existing building within the established urban area and would avoid the property becoming vacant, under-used or commercially unviable.

The evidence should therefore be afforded significant weight in the Council's consideration of the proposed change of use and demonstrates that the loss of the existing commercial use would not result in the loss of an irreplaceable or demonstrably required commercial premises within Havant.

Appendix A – Commercial Market Evidence

Property	Type	Approx. Size	Sale / Rent
2–16 Park Road South	Investment / Mixed Use	22,410 sq ft	£2.5m
South Park Court	Mixed Use	Various	£1.79m
Former Colt International Site	Development	84,000 sq ft	£1.5m
Land at West Street	Development	199,000 sq ft	Marketed
The Tannery	Redevelopment	31,363 sq ft	Marketed
Unit C9, Endeavour Business Park	Industrial	1,401–2,804 sq ft	£440,000

Unit C5, Cairo Place	Industrial	3,891 sq ft	POA
The Bear Hotel	Hospitality	42 bedrooms	£1.2m
58 West Street	Restaurant / Mixed Use	1,976 sq ft	£500,000
40–40A West Street	Retail	4,799 sq ft	£525,000
198–200 Dunsbury Way	Office	2,131 sq ft	£275,000
Langstone Park Phase II	Warehouse	31,693–66,806 sq ft	POA
Unit 5, Langstone Park	Warehouse	35,113 sq ft	POA
Unit 6, Langstone Park	Warehouse	31,683 sq ft	POA
Unit 9, Kenwood Industrial Park	Industrial	41,542 sq ft	POA
Spring Business Park	Industrial	5,170–16,264 sq ft	Marketed
Public Service Plaza	Offices	3,385–7,583 sq ft	From £44,000 pa
Langstone Park Offices	Offices	1,200–22,249 sq ft	Marketed
Langstone Gate	Offices	Various	From £125/workstation/month
4 Penner Road	Offices	118,000 sq ft	POA
41–43 Market Parade	Retail	1,294 sq ft	£16,500 pa
54 West Street	Retail	951 sq ft	£16,500 pa
46 West Street	Retail	587 sq ft	£13,500 pa
1 Park Road South	Commercial	592 sq ft	£13,250 pa

Overall Market Finding

Along with the property not having been in any commercial use since February 2020 the above evidence demonstrates a substantial supply of commercial property within Havant across multiple sectors and property sizes. The level of competing accommodation is a material consideration when assessing the likelihood of securing a viable commercial occupier for 42 North Street.