

Greater Norwich Infrastructure Needs & Funding Study

Final Report: Appendix C

Property Market Report

October 2009

Greater Norwich Development Partnership

Market Summary Report

Private and Confidential

FINAL DRAFT

Version	Date	Amended by	Principal Changes
Version 1	10 July 2009		First draft issued



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1. Introduction

- 1.1 To begin to move towards establishing a tariff or standard charge to apply to new developments it is essential to understand the potential for capturing value, particularly from residential developments, to help finance the infrastructure required to support growth in Greater Norwich.
- 1.2 We have carried out market research for each of the districts in order to understand the economics of residential and commercial development across Greater Norwich, particularly in terms of sales values and land values across the region.
- 1.3 Given the length of time the planning policy period will cover, a number of economic cycles are likely to be experienced during this time. We have therefore undertaken research to understand the market characteristics of the region in both weak and strong economic conditions in order to assess the potential impact this may have on the level and timing of developer contributions throughout the policy period.
- 1.4 The information contained within this report is for the client only. This report is confidential to the Greater Norwich Development Partnership. The information contained within it should not be relied upon by any other party without Drivers Jonas' prior consent. Should the Council wish to rely upon the information within as evidence at a Planning Examination in Public, the report would be amended to reflect the nature of that process.

2. Residential market

- 2.1 Escalating house prices has been a feature of the UK economy for a considerable period and the last decade has been one of almost unbroken growth. The economic success of Greater Norwich has helped fuel the housing market in this region. In order to meet the demand for housing the East of England Plan sets out the following housing targets:

District	Total Build 2001-2021	Already built	Still to build 2006-2021
Norwich	14,100	3,490	10,610
Broadland	12,200	1,680	10,610
South Norfolk	11,200	2,280	8,920
Total	37,500	7,450	30,050

- 2.2 Housing trajectory figures for the region predict a further 13,500 new homes being delivered between 2006-2011 (a rate of 2,700 per annum). This leaves a balance of 16,500 between 2011-2021 (1,650 per annum). The greatest future growth is projected to be within Norwich City (11.8% between 2006-2011). 10.4% in South Norfolk, and 2.8% in Broadland.
- 2.3 The residential property market has been very active within Greater Norwich in recent years, with the rate of development activity across the area as a whole increasing during the course of this decade. This is illustrated in the table below.

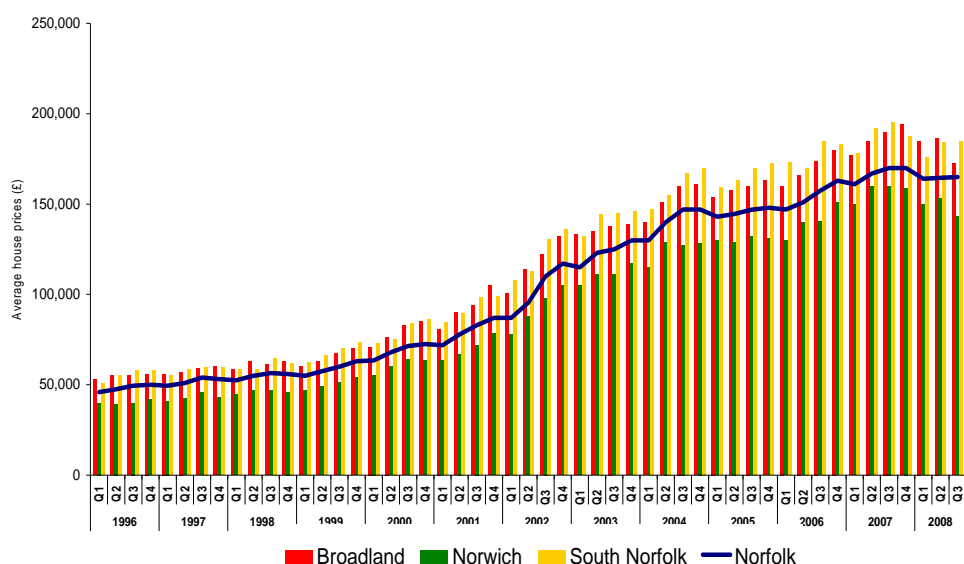
	Net dwelling completions			Completions (per annum)				Target (per annum)
	1993-2007	2001-7	2006-7	1993-2007	2001-7	2006-7	2007-8	
Norwich	6,884	4,469	983	492	745	983	1,043	705
Broadland	8,273	1,961	280	591	327	280	85	610
South Norfolk	6,154	2,883	604	440	481	604	912	560
Total	21,311	9,313	1,867	1,521	1,551	1,867	2,040	1,875

- 2.4 Over the fourteen year period up to 2007 Broadland has the highest annual rate of housing completions. This is due to the high number of units that were constructed in the district during the 1990s, where easier to develop Greenfield sites were attracting the majority of interest from developers. However as the availability of Greenfield sites reduced, more attention was focused on Norwich city. This trend was also fuelled by rising house prices, which made Brownfield development sites in the city more commercially attractive.
- 2.5 Although the annual rate of completions in Broadland has declined in recent years this has been more than compensated for by the increases in Norwich and South Norfolk. Consequently the total rate of development for the three districts combined has increased during the last six years up to 2007, and particularly during the last two years. Norwich was especially active during this time, when completion rates were more than double the average rate achieved over the previous fourteen year period.
- 2.6 In both Broadland and South Norfolk districts most new homes are houses, which make up over 80% of new properties in these districts. In Broadland only 12% are of new homes were flats and in South Norfolk only 10%. In Norwich the proportion of new development comprising houses is lower at

60%. However these percentages vary significantly geographically within this market as the proportion of flats is much greater within Norwich City.

- 2.7 Although residential development has been particularly active in recent years, at no point has the annual completion rate achieved the target rate for the area of 1,875 new homes per annum between 2001 to 2021. It should also be noted that this is against a backdrop of a buoyant housing market experiencing steady sales rates and rising house prices. This is shown in the following graph, which illustrates the trend in average house prices across each of the districts between quarter one 1996 and quarter three 2008.

House prices across Norfolk



- 2.8 Average house prices across the region have increased three fold since the mid 1990s. South Norfolk's average prices are close to the regional average, Broadland around 10% below and Norwich close to 20% below. In percentage terms this is closer to the regional average than a decade ago.
- 2.9 However since mid 2007 market conditions have changed dramatically and we are now experiencing sharp falls in house prices. A lack of available credit for potential buyers, consumer concern that the market still has further to fall and, more recently, rising concerns over job losses have all contributed to a slump in demand for homes, which has pushed prices down.
- 2.10 According to Nationwide Building Society average house prices across the UK currently stand at £149,700, approximately 16.5% down on this time last year. Within the East Anglia region average house prices are around £144,000. Relative to the UK as a whole the region has fared worse during the economic downturn with average prices just under 20% down on a year ago. Only Northern Ireland has experienced a greater decrease in prices.

The last quarter has been particularly poor with prices reducing by 5.6% compared to the national average of 4.2%.

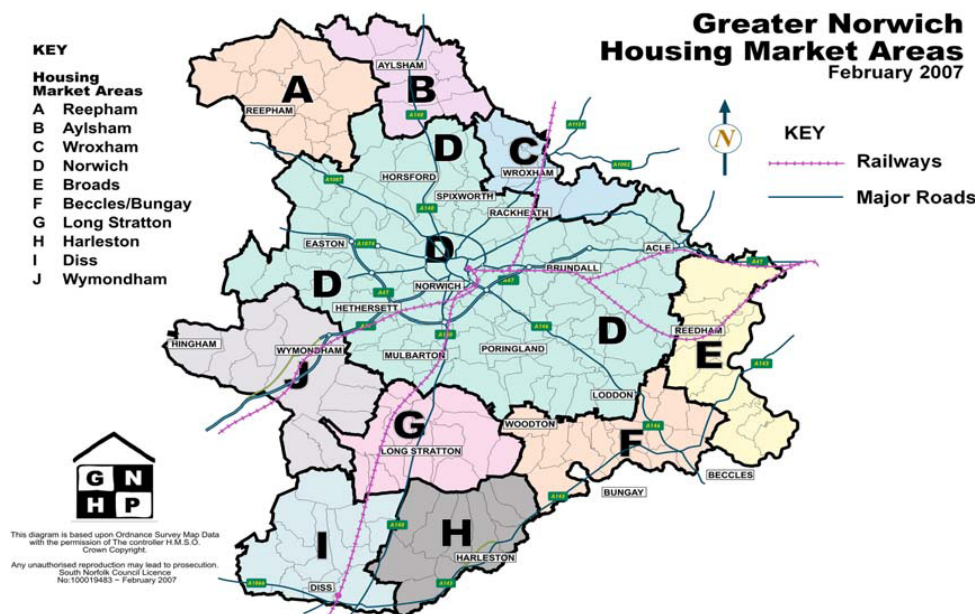
- 2.11 New build apartments have suffered the most, particularly outside of Norwich with the supply far exceeding the current demand for these types of properties. Within the new homes market, there appears to be a stronger demand for detached village homes, and prices in this sector are holding up better.
- 2.12 This is reflected in the table below, which shows average prices and percentage price changes by house type recorded by the land registry within each of the districts although this is slightly affected by the number of sales from which the averages are calculated and should therefore only be treated as a guide:

	South Norfolk		Broadland		Norwich	
	Average price	Annual Change	Average price	Annual Change	Average price	Annual Change
Semi detached	£160,634	-12.6%	£156,901	-13.2%	£154,040	-18.5%
Detached	£248,243	-10.8%	£225,475	-10.4%	£266,149	-3.5%
Terraced	£133,545	-14.7%	£134,363	-16.7%	£147,952	-13.1%
Flats	£105,163	-21.1%	£112,019	-22.8%	£117,342	-12.5%
All	£188,168	-13.7%	£185,003	-13.1%	£158,486	-10.4%

Source: Land Registry – prices between December 2007 and December 2008.

- 2.13 Average house prices by property type are highest in Norwich, with the exception of semi detached houses. The reduction in house prices over the last year is also lower in Norwich, again with the exception of semi-detached houses. Norwich has the lowest overall average property price, reflecting the higher proportion of flats that are built in comparison with other areas.
- 2.14 Across all the districts the prices of larger detached family houses have fared better, particularly in comparison with flats, illustrating that despite the current market conditions there is demand for higher quality family housing. There has been a significant reduction in the demand for flats principally due to the sharp decline in first time buyers entering the property market. This is in line with national trends with the first time buyers, who tend to purchase flats, being especially hard hit.
- 2.15 These depressed market conditions are currently having and will continue to have major implications for the delivery of both private and affordable housing over the short to medium term. Consequently the housing targets for the region, particularly up to 2011, are unlikely to be deliverable based on historic housing completion rates and current market conditions.
- 2.16 Some developers are continuing to build houses, particularly on developments that were started before the economy crashed, and where income is needed from sales in order to address financing and cash flow issues. However many developers are halting their build programme to limit their capital outgoings in the current period of uncertainty. Developments that have not yet started are generally being put on hold. Consequently build rates have fallen dramatically.
- 2.17 Housing starts in the UK are forecast to be as low as 50,000 in 2009. This is down from 125,000 in 2008, and just 30% of 2007's output. Figures from the NHBC new house building statistics highlight that in 2007 in Norfolk the number of new houses started was 3,649. However in 2008 this figure

- reduced by more than a half to 1,691. This represents the largest reduction in build rates within the Eastern region of the UK, which averaged a 44% reduction in new house starts over this time.
- 2.18 The implications of the current economic climate are particularly acute for the larger strategic sites, which have become increasingly important in the delivery of house building targets. However the prospects of these sites being developed in the short term are poor as the cost of delivery (including infrastructure, environmental credentials, affordable housing and other Section 106 agreements) is prohibitive in comparison with the current value of schemes. Even where sites are potentially viable, developers are finding the high, up-front costs impossible to finance. Without a fundamental change in the way these sites are brought forward, it seems unlikely that large numbers of units will be delivered on them in the short to medium term.
- 2.19 However the housing market is cyclical. The period over which the current housing projections are set will result in a number of different market conditions being experienced, which has implications for the amount and timing of developer contributions secured.
- 2.20 In setting the level of tariff consideration also needs to be given to the different market characteristics within the region, as there are a number of discernible sub-markets within Greater Norwich. By far the largest one is centred on Norwich, which contains 50% of the land area in Greater Norwich and 75% of the population.
- 2.21 There are nine further housing market areas in the region. Market towns are the centre of eight i.e. Wymondham, Long Stratton, Diss, Harleston, Beccles/Bungay in South Norfolk and the Wroxham, Aylsham, and Reepham in Broadland. The remaining market area called 'The Broads' has no obvious focus. The market areas are shown in the map below.



Norwich Housing Market

- 2.22 This is the main and fastest growing housing market within the Greater Norwich region. It contains approximately 75% of the regions population and is growing faster than all other markets except for Wymondham, the second largest market.
- 2.23 It is centred on Norwich City and includes parts of Broadland and South Norfolk districts such as Sprowston, Costessey, Poringland, Mulbarton, Easton, Taverham, Acle and Loddon (shown in light blue Area D in the map above). Almost all of the working population (85%) that live in the Norwich housing market area also work in the area. Consequently the Norwich market is very self-contained.
- 2.24 This market is heavily influenced by demographic trends in Norwich city, which is much younger at the centre, but aging in the outer ring, producing a polarised market. Patterns of housing development could be encouraging this with a larger number of flats and high density dwellings within the city, which has led to young people moving in and older people moving out. Residential development is much higher density in comparison with the other markets, particularly within Norwich city, where a number of large scale apartment schemes have been delivered in recent years.
- 2.25 The pattern of development has changed in recent years. Prior to 2006 the majority of new residential development was housing, which comprised approximately 70% of the total number of new dwellings. However after 2006 this trend reversed with 70% of new dwellings comprising flats.
- 2.26 Current average house prices for this market area are shown below:

Average House Prices	Detached	Semi-Detached	Terraced	Flat	Average (all properties)	Annual change %
Norwich City	£229,287	£154,656	£152,700	£123,900	£163,207	-16%
Mulbarton	£234,607	£159,967	£147,136	£120,500	£225,020	-16%
Sprowston	£204,107	£146,203	£141,248	£93,250	£174,333	-15%
Cringleford	£273,782	£168,104	£134,593	£91,903	£219,262	-18%
Costessey	£203,117	£143,828	£122,670	£93,186	£180,922	-16.5%

Source: Land Registry data, showing average prices for all house sales including both new build and second hand stock

- 2.27 The above table highlights that average house prices are highest in Cringleford and Mulbarton. In addition to their accessibility to Norwich, close proximity to both the A11 (heading south west towards Cambridge and London) and A140 (heading south towards Ipswich) is one potential factor behind the towns recording the highest average property prices. It should be noted that the average overall price in Norwich is lower due to the high proportion of flats.
- 2.28 The following section summarises our research of a number of residential developments currently being marketed in the Norwich housing market.

New build residential development within Norwich City

- 2.29 Within Norwich city major recent developments include:
- Read Mills (PJ Livesey)
 - Fellowes Plains, St Stephen's Road (Charles Church)

- Paper Mill Yard (City Living)
- Riverside Heights (Bryant Homes)
- Appleyard's Mill, including Jay's Courtyard, Oak Street (Hopkins Homes)
- Prospect Place, St Faith's Lane (Hopkins Homes)
- The Rise (Bryant Homes)

Read Mills, (P J Livesey)

- 2.30 Read Mills is a development of 154 units by P J Livesey situated in Norwich City Centre, approximately 10 minutes Walk from Norwich Train Station. To date 88 units have been sold with 66 remaining. The selling agent advised that during February they reduced asking prices by approximately £20,000 in order to encourage sales. Since reducing their prices they have had 3 sales:

Type	Size (sq ft)	Sale price	£ per sq ft
1 bed flat*	600	£149,950	£250
2 bed flat*	856	£230,000	£268
3 bed flat*	1,158,	£299,950	£259
	Average		£259

* with parking space

- 2.31 PJ Livesey are offering incentives such as 80% shared equity; part exchange; contribution to fittings; £500 towards legal fees in order to try to encourage sales. Incentives typically do not exceed £5,000 in value. This reduces the sales rate to around **£254 per sq ft**.
- 2.32 Prior to the three units sold recently they only sold four units during the previous six months. The marketing agent advised that average sales rates of £300 per sq ft were being achieved during 2007, although no specific transactional evidence was provided.

Fellowes Plain, St Stephen's Road (Charles Church)

- 2.33 The scheme comprises a range of new and restored apartments that once formed part of the listed Norfolk and Norwich hospital in the southern part of the city. The first phase of this development was launched in 2004.
- 2.34 Phase II, the Pavilion building is currently under construction. When completed it will provide 271 studio, one, two and three bedroom apartments, the majority of which benefit from underground car parking. Marketing began in April 2008. Of the 109 flats that have been advertised 75 have sold. This represents an average sales rate of 7 sales per month, although this has slowed during the last 6 months.
- 2.35 It is currently unknown when the remaining units will be released as this will depend on the sales of the units currently on the market. A selection of recent sales in 2009 is shown in the table below:

Type	Size (sq ft)	Sale price	£ per sq ft
1 bed flat*	491	£109,995	£224
2 bed flat*	967	£250,000	£259
3 bed flat*	1,554	£380,000	£245
2 bed flat	686	£170,000	£247
	Average		£244

*with parking

- 2.36 Charles Church are offering incentives such as shared equity 25% and carpet fittings included in sale price. Typically they are not spending more than £5,000 on incentives. This level of incentives reduces the average sales rate to around **£239 per sq ft.**

Paper Mill Yard, King Street (City Living)

- 2.37 Paper Mill Yard is a 180 flat scheme on the former Colman's Mustard site by City Living. It is situated on the River Wensum, on the south-side of Norwich close Norwich City Football Club, within a ten minutes walk of the main railway station and the town centre.
- 2.38 It was pre-launched in September 2006 and marketing has been in place since February 2007. Construction completed around twelve months ago. There are still a number of flats available. Unlike other developers in the area, City Living have not reduced their asking prices considerably.
- 2.39 Average asking prices for one bedroom flats are around £145,000, which equates to approximately £250 per sq ft. Two bedroom apartments start from £195,000 (£300 per sq ft). These rates are high in comparison with most other schemes.
- 2.40 During 2008 36 flats were sold, with sales prices ranging from £112,000 for a one bedroom flat to £285,000 for a three bedroom flat. A selection of sales achieved is shown below:

Type	Size (sq ft)	Sale price	£ per sq ft
1 bed flat	496	£155,000	£306
1 bed flat	572	£149,995	£262
2 bed flat	739	£217,500	£294
1 bed flat*	527	£120,000	£228
2 bed flat*	655	£148,000	£226
2 bed flat*	646	£144,000	£223
Average			£256

*investor bulk purchase

- 2.41 A number of purchases were agreed with investors bulk buying units, who paid slightly less for the properties in comparison with individual owner-occupier purchasers. Incentives included 5% deposit paid, which reduces the average sales rate to around **£246 per sq ft.** Taking into account general price decreases of approximately 7% experienced during the first quarter of 2009 in Norwich we estimate current sales rates to be approximately **£230 per sq ft.**
- 2.42 The last achieved sale was back in August 2008. Due to the lack of demand in September 2008 City Living launched the 'rent before you buy' scheme. This means that 'would-be buyers' can rent for a year and then either put the year's rent towards the deposit for a flat or walk away entirely. Since the scheme's launch 15-20 agreements have been entered into with purchasers. Prior to this only two flats had been sold in the previous six months.

Riverside Heights, (Bryant Homes)

- 2.43 Riverside heights overlooks the River Wensum and is located next to Norwich's Carrow Bridge, approximately half a mile from the main railway station. This high density scheme (more than 100 units per acre) will provide more than 300 studio, one, two and three bedroom apartments in five separate developments along the river bank, most of which have a

parking space. It also includes a 14 screen multiplex cinema, a 26 lane tenpin bowling centre, swimming pool and supermarket, restaurants and bars.

- 2.44 Phase one comprises 98 one, two and three bedroom apartments, 32 of which remain unsold. Bryant Homes have reduced their asking prices and are offering incentives on top of this such as a deposit match scheme for first time buyers in order to encourage sales. Recent sales are shown in the table below:

Type	Size (sq ft)	Sale price	£ per sq ft
1 bed flat*	634	£119,995	£189
1 bed flat**	558	£109,995	£197
2 bed flat*	786	£149,995	£191
		Average	£192

* with parking

** with parking and river view

- 2.45 The sales agent reported that average sales values being achieved in 2007 were around £280 per sq ft for two bedroom flats. Examples of sales achieved in mid 2007 are shown below:

Type	Size (sq ft)	Sale price	£ per sq ft
2 bed flat	723	£213,745	£296
2 bed flat	738	£195,000	£264
		Average	£280

- 2.46 Based on the above figures values have reduced by approximately 30% since 2007. This is high in comparison with other schemes, which is a reflection of Bryant Homes aggressive pricing policy in the current economic climate.

- 2.47 It is currently unknown when further phases will be constructed, which will be dependent upon future market conditions. During 2009 sales rates have averaged five units per month.

The Rise (formerly known as Cobblers Mews), (Bryant Homes)

- 2.48 This is a Bryant Homes development, situated in the north of Norwich, comprising 151 units, including 61 one and two bedroom apartments and 45 two, three, and four bedroom houses, 45 (30%) of which are affordable. Between September 2008 and December 2008 twelve apartments were sold with average sales values of £163 per sq ft. Taking into account a reduction in prices of approximately 7% during the first quarter of 2009, we estimate the average sales rate to be approximately **£152 per sq ft**. There are currently 3 three bedroom terrace houses for sale at £164,995 (£165 per sq ft). Currently this is the only unit type available for sale as construction of other properties is being completed and the sales negotiator was awaiting instructions on prices for the up coming properties. They are expecting to release more apartments towards the end of March. Incentives offered includes survey and legal fees paid. In addition they offer shared equity and where purchasers pay 75% of the price now.

Appleyard's Mill, including Jay's Courtyard, Oak Street (Hopkins Homes)

- 2.49 This is a development of 62 one & two bedroom apartments, three and four bedroom houses by Hopkins Homes, directly overlooking the River Wensum. Castle Mall is just 800 metres away and Chapelfield, shopping and social quarter is 1km away. Hopkins Homes are offering tailored incentives. Sales recently achieved are shown below:

Type	Size (sq ft)	Sale price	£ per sq ft
3 bed town house*	1,394	£250,000	£179
3 bed mid town house*	1,586	£275,000	£173
3 bed end town house*	1,692	£230,000	£136
		Average	£163

* with single garage

- 2.50 Their sales executive commented that sales values have decreased on average by 20-25% since the peak in 2007, when values of approximately £210-230 per sq ft were being achieved.
- 2.51 Current asking prices for three bedroom town houses on this scheme are around £179 sq ft.

Prospect Place, St Faith's Lane (Hopkins Homes)

- 2.52 Prospect Place is Hopkins Homes newest development in Norwich, which comprises 14 three and four bedroom homes. It was launched in October 2008. So far four units have been sold, one was in the penultimate week of February. Examples of sales achieved in 2009 are:

Type	Size (sq ft)	Sale price	£ per sq ft
4 bed mid town house*	1,380	£245,000	£178
3 bed semi detached house*	790	£170,000	£215
3 bed mid town house*	790	£174,995	£222
		Average	£205

* with parking

- 2.53 Current asking prices range from £239,950 for a 3 bedroom house, to £294,995 for a four bedroom house at an average sales rate of £218 per sq ft.

The Walnuts (Persimmon), Norwich

- 2.54 The Walnuts comprises a selection of 41 three, four and five bedroom homes, and is located on the outskirts of the city on Earham Road. It was launched in March 2008. Sales achieved in 2009 are shown below:

Unit Type	Size (sq ft)	Sales price	Sales value per sq ft
3 bed house	1,180	£235,000	£199
4 bed house	1,230	£265,000	£215
5 bed detached house	1,810	£315,000	£174
		Average	£196

Summary Norwich City schemes

Scheme Name	Average Sales Rate 2009 (£/ft²)		Sales Rate Achieved 2007 – early 2008 (£/ft²)	
	Houses	Flats	Houses	Flats
Read Mills (PJ Livesey)	-	254	-	300***
Paper Mill Yard (City Living)	-	230*	-	-
Riverside Heights (Bryant Homes)	-	192	-	280
Fellows Plains (Charles Church)	-	239	-	-
Appleyard's Mill (Hopkins Homes)	163	-	230***	-
Prospect Place (Hopkins Homes)	205	-	-	-
The Rise (Bryant Homes)	165**	152*	-	-
The Walnuts (Persimmon)	196	-	-	-
Maximum sales value	£205	£254	£230	£300

*estimates based on sales values achieved in late 2008 and adjusted for general price reductions in first quarter 2009 in Norwich

** asking price

*** no transactional evidence, based on feedback from marketing agent at sales office

- Prices vary between schemes as a result of different location characteristics and developers adopting different pricing strategies in the current economic climate. Values are generally higher in the southern part of the city closer to the main shopping centres and the station. Properties overlooking the River Wensum also command a premium.
- Average sale prices for flats range from approximately £160 per sq ft at The Rise to around £254 per sq ft at Read Mills once incentives are taken into account. Sales values per sq ft are higher for smaller properties.
- Feedback from agents marketing a number of schemes suggests that prices of flats have reduced by approximately 20-30% since mid 2007.
- Average sale prices for houses currently range from around £163 per sq ft to £205 per sq ft. Feedback from agents suggests this is approximately 10-15% lower than values being achieved in mid 2007.
- Sales rates for schemes range from one to five units per month.
- In some instances developers are seeking to let flats in order to combat the lack of demand from purchasers and reduced sales prices.
- Where developers have the ability to do so they are slowing construction in line with reduced sales rates.

Residential development outside of Norwich City

- 2.55 This covers parts of South Norfolk and Broadland districts. Within south Norfolk it includes Cringleford, Mulbarton, Poringland, Costessey and Easton. In Broadland it includes the Sprowston/Rackheath growth triangle.

South Norfolk

- 2.56 The majority of new residential development has been delivered to the west and south west of Norwich city, close to the A47.
- 2.57 There has been a significant amount of residential development in Costessey to the west of Norwich city. Consequently there is a glut of

- housing currently on the market in this area and developers are under intense competition to sell units, which is affecting house prices.
- 2.58 The Queen Hills County Park scheme is a major new housing development located to the west of Costessey on the northern edge of Tud Valley. The site was acquired in 2004 by Cofton. A number of major house builders are active on the site such as Barratt, Bloor Homes, Bovis and George Wimpey.
- 2.59 The site will provide approximately 1,300 new homes on 100 acres of land. The Country Park will cover approximately 86 acres. The development will also include a new school site, local village centre, community hall, children's play area, recreational area and football pitches.
- 2.60 Schemes currently being delivered include:
- Ringland Park, (Barratt Homes and Bellway Homes)
 - The Chase, Sir Alfred Mannings Road, Queens Hills, (David Wilson)
 - Alex Moorhouse Way, (Laing Homes/George Wimpey)
 - Stafford Chase, Bovis Homes

Ringland Park, Queen Hills (Barratt Homes)

- 2.61 Barratt is building 167 homes at Ringland Park comprising a mixture of one, two, three, four and five bedroom apartments and houses. Marketing of the properties began in June 2007. Sixty are reserved to date. Examples of recent sales achieved are as follows:

Type	Size (sq ft)	Sale price	£ per sq ft
2 bed flat	790	£135,000	£171
3 bed linked terrace house	1,110	£175,000	£158
4 bed 3 storey house	1,480	£220,000	£149
Average			£159

- 2.62 Sales rates are slightly lower than asking prices, which averaged £165 per sq ft for the above properties. Incentives include Barratts paying the 5% deposit, which reduces the average sales rate to approximately **£151 per sq ft**.
- 2.63 The marketing agent advised that In 2007 sales of houses achieved around £205 per sq ft on average, approximately 22% higher than current values.

The Chase, Sir Alfred Mannings Road, Queen Hills, David Wilson

- 2.64 The Chase offers a selection of 75 one bedroom coach houses, and two, three, four and five bedroom homes. The scheme was launched in April 2008. Twenty have been sold with 55 units remaining. Example of sales are as follows:

Unit Type	Size (sq ft)	Sale price	£ per sq ft
3 bed 2 storey house*	878	£172,995	£197
3 bed 3 storey town house*	1,134	£189,995	£168
Average			£183

* with single garage

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2.65 Incentives offered by David Wilson include part exchange, Stamp Duty, removal costs and legal fees being paid. This reduces the average sales rate to around **£178 per sq ft**.

2.66 Current asking prices range from £155 per sq ft to £226 per sq ft for a four bedroom house at an average of around £190 per sq ft.

Alex Moorhouse Way, Queen Hills (Laing Homes)

2.67 This is a development of 133 homes, 69 of which have completed with 64 units left to build. The sales agent informed that 35 of these were due to be built this year with the remaining units being completed the following year. However, she stated that it was highly dependent on the sales of the ones already completed/currently under construction. The show home opened in June 2007, however the first reservation was made in February 2007. There were nine sales agreed in both January and February 2009. However these have generally been at heavily discounted prices. Examples are shown below:

Unit Type	Size (sq ft)	Sale price	£ per sq ft
2 bed flat*	567	£75,695	£134
2 bed flat	648	£85,000	£131
4 bed town house*	1,225	£152,334	£124
2 bed town house*	1,089	£151,495	£139
3 bed town house*	1,089	£150,000	£138
		Average	£133

* with single garage

Examples of sales achieved in mid to late 2007 are shown below.

Unit Type	Size (sq ft)	Sold price	£ per sq ft
2 bed apartment	626	£135,000	£216
3 bed town house	1,089	£180,000	£165
3 bed town house	819	£165,000	£201
		Average	£194

This represents a decrease in value of just over 30% from mid 2007.

Stafford Chase, Queen Hills (Bovis Homes)

2.68 Bovis Homes are currently constructing a 140 unit scheme comprising a mixture of one, two, three, four and five bedroom properties. Examples of sales achieved are:

Unit Type	Size (sq ft)	Sale price	£ per sq ft
3 bed mid town house*	1,206	£199,950	£166
3 bed town house*	1,190	£199,950	£168
3 bed house*	1,190	£199,950	£168
		Average	£167.5

* with single garage

Ringland Park, Queen Hills, (Bellway Homes)

2.69 This is an 83 unit scheme comprising one to five bedroom properties. Recent sales include:

2.70

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Unit Type	Size (sq ft)	Sale price	£ per sq ft
3 bed semi detached house	878	£173,500	£198
3 bed semi detached house	1,134	£160,000	£141
2 bed flat	753	£110,000	£146
		Average	£162

- 2.71 Incentives include a part exchange and express mover package, where Bellway pay the estate agents fees for marketing your existing property.
- 2.72 Outside of Queens Hills Country Park major new build residential development within Costessey is being delivered along Dereham Road which are:
- The Hampdens, Dereham Road (Bryant Homes)
 - Fairfield Park, Dereham Road (Hopkins Homes)

The Hampdens, Dereham Road (Bryant Homes)

- 2.73 Bryant Homes are currently building a development of 264 (198 private) units comprising one, two, three, and four bedroom flats and houses. To date they have released 50 properties. Two bedroom flats are currently advertised between £104,995 (£226 per square foot) and £119,995 (£253 per sq ft). Three and four bedroom detached houses are being offered at £155,000 (£185 per sq ft), and £209,995 (£163 per sq ft) respectively. In order to try to encourage sales Bryant Homes recently reduced their asking price for a two bedroom terraced house from £134,995 (£240 per sq ft) to £120,000 (£213 per sq ft).

- 2.74 The only sale achieved during 2009 was a two bedroom end terrace house, which sold for £139,995 (£216 per sq ft). This was £20,000 below the asking price.

Fairfield Park, Dereham Road (Hopkins Homes)

- 2.75 Fairfield Park is a Hopkins Homes development of 224 two, three, four and five bedroom apartments and houses. The development launched in July 2007.

- 2.76 A summary of the sales achieved in 2009 for the above two schemes is shown in the table below:

Unit Type	Size (sq ft)	Sale price	£ per sq ft
2 bed end terrace house*	648	£139,995	£216
4 bed detached house*	1,300	£240,000	£185
4 bed detached house**	1,567	£268,000	£171
3 bed mid terrace house*	790	£125,000	£158
		Average	£183

* single garage

** double garage

- 2.77 The sale prices above were on average £20,000 below the asking price. Incentives offered include part exchange, payment of removal costs, stamp duty paid. The sales agent advised that incentives are tailored to individual

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buyer's circumstances, but are typically worth around £5,000. This reduces the average sales rate to approximately **£178 per sq ft**.

- 2.78 In October 2007 the sale of a 1,616 sq ft four bedroom house in the Fairfield Park scheme achieved the asking price of £350,000, (£217 per sq ft). A three bedroom house sold for £279,995, again achieving the asking price (£213 per sq ft). This is approximately 21% above current average sales prices.

Summary Costessey

- 2.79 A summary of average sales rates achieved for schemes in Costessey is provided in the table below:

Scheme	House average sales rate £ per sq ft		Flat average sales rate £ per sq ft	
	2009	2007	2009	2007
Queen Hills, Barratts	£154	£205	£171	-
Queen Hills, Bellway	£170	-	£146	-
Queen Hills, David Wilson	£178	-	-	-
Queen Hills, Laing Homes	£134	£183	£133	£216
Queen Hills, Bovis	£168	-	-	-
Dereham Road,, Hopkins Homes/Bryant Homes	£178	£215	-	-
Maximum Sales value	£178	£215	£171	£216

- Average sales for houses in 2009 range from £134 to £178 per sq ft. In 2009 between £183 to £215 per sq ft was being achieved. Based on the maximum sales values this represents a decrease of approximately 12%.
- Average sales values for flats range from £133 to £171 per sq ft in 2009. In 2007 £216 per sq ft was being achieved, representing a decrease of 16%. This is broadly in line with the general reduction in the price of flats in the area of 15% (based on land registry figures).

College Heights, Easton (Norfolk Homes)

- 2.80 Easton is located between Norwich and Dereham, within one mile of the Norwich bypass (A47) for direct access to the County's major roads. It is seven miles west of the Norwich city centre of the City. Just outside the Village, towards Norwich, is the growing Longwater Business Park and Norfolk Retail Park.

- 2.81 All units have been sold in this development of 105 two, three and four bedroom houses. Sales prices achieved in late 2007/early 2008 are shown in the table below:

Unit Type	Size (sq ft)	Sales price	£ per sq ft
3 bed terraced house	886	£183,800	£207
3 bed terrace house	1,205	£215,000	£178
2 bed semi detached house	702	£169,950	£242
4 bed detached house	1,877	£328,000	£175
4 bed link detached house	1,406	£249,950	£178
		Average	196

- 2.82 Towards the end of 2008 four bedroom detached houses were achieving on average approximately **£160 per sq ft** for four bedroom houses. Based on general price decreases of approximately 7% during the first quarter of 2009, we estimate current values to be approximately **£150 per sq ft**.

Round House Park, Cringleford (Bloor Homes, Twidgen and Bovis Homes)

- 2.83 Cringleford is located on the outskirts of Norwich to the southwest of the city. The Norfolk and Norwich University hospital, the Norwich Research Park and the University of East Anglia are located close by to the west. The recently constructed relief road on the western edge of the site links these important employment and community facilities to the A11 and Newmarket Road.
- 2.84 Increased development in the area in the form of new houses and improved transport links such as the Norwich South Bypass has resulted in increased activity in the area, and has become an ideal location for commuters.
- 2.85 New residential development has focused on Round House Park, which was launched in June 2007. The scheme has planning for 750 homes on a 37 hectare (91 acres) site, offering one to five bedroom properties, and will be delivered by a consortium of developers namely Twidgen, Bloor and Bovis Homes. It is proposed that this site will take six years to develop. Bovis Homes and Twidgen Homes acquired the site in October 2005
- 2.86 The scheme by Bloor Homes comprises 81 three, four and five bedroom family homes, of which 30 have been sold or reserved. Recent sales in 2009 are shown below:

Unit Type	Size (sq ft)	Asking price	Sold Price	£ per sq ft
3 bed semi detached house	962	£199,950	£190,000	£198
4 bed detached house	1,583	£329,995	£245,000	£155
4 bed detached	1,226	£242,995	£242,995	£198
Average				£184

- 2.87 Bloor Homes are offering to pay for 5% of the deposit, as well as shared equity through their 'Homestart 2' scheme. A 5% deposit reduces the average sales value to around **£175 per sq ft**.
- 2.88 Twidgen are developing 340 one to five bedroom properties. Recent sales are shown below:

Unit Type	Size (sq ft)	Asking price	Sold Price	£ per sq ft
3 bed semi detached house	1,117	£175,950	£165,000	£148
3 bed semi detached house	1,195	£262,500	£199,800	£167
5 bed detached	2,291	£369,995	£315,000	£137
2 bed coach house	787	£189,950	£126,000	£160
Average				£153

- 2.89 Incentives being offered included stamp duty being paid and carpets fitted. This reduces the sales rate to approximately **£148 per sq ft**.
- 2.90 Bovis Homes are delivering 102 houses. They recently sold two three bedroom town houses, one for £185,000 (£153 per sq ft), and the other for £219,950 (£215 per sq ft). This equates to an average sales rate of £184

per sq ft. Bovis offers a home exchange scheme that equates to approximately 2% of the purchase property's value. This reduces the average sales rate to around **£178 per sq ft.**

Brooke-Meadow Way (Norfolk Homes), Poringland,

2.91 Poringland is less than five miles from the centre of Norwich. It is situated on the Norwich to Bungay road (B1332), and less than 3 miles from the Norwich southern bypass (A47) which provides links to most of the county's major roads. Brooke Meadow Way is a Norfolk Homes development of 140 homes with a mixture of houses and flats. The scheme has been marketed for fifteen months, and approximately 40% of the units have been sold, equating to a sales rate of just under four per month.

2.92 During March 2009 seven sales have been agreed, which are shown in the table below:

Unit Type	Size (sq ft)	Sales price	Sales value per sq ft
1 bed flat	495	£98,000	£198
1 bed flat	495	£99,950	£202
2 bed flat	921	£130,000	£141
2 bed flat	994	£139,950	£141
3 bed terrace house	1,309	£179,950	£137
3 bed terrace house	1,309	£174,950	£134
4 bed detached house	1,320	£220,000	£167
Average			£160

Sales values for these properties in mid 2007 are shown in the table below:

Unit Type	Size (sq ft)	Sales price	Sales value per sq ft
1 bed flat	495	£119,950	£242
2 bed flat	921	£199,950	£217
3 bed terrace house	1,309	£229,950	£176
4 bed detached house	1,320	£274,950	£208
Average			£210

2.93 The above tables show average reductions from the 2007 prices across all property types of approximately 24%. The most significant reductions have been experienced on the two bedroom flats, which have reduced in price by roughly 35%. The price of a one bedroom flat and three bedroom terrace have reduced by 16% and 22% respectively.

Mulberry Gardens (Hopkins Homes), Mulbarton

2.94 Mulbarton lies just off the B1113, between the A11 road linking Norwich to Cambridge and London, and the A140 Norwich-to-Ipswich road.

2.95 This development is located seven miles to the south of Norwich, and benefits from good amenities and schools. It comprises 366 homes ranging from one bedroom apartments to five bedroom detached houses. Just over two thirds of the units have been constructed.

2.96 Three sales have been achieved this year, which are shown below:

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Unit Type	Size (sq ft)	Sales price	Sales value per sq ft
2 bed flat	597	£90,000	£151
2 bed flat	597	£90,000	£151
3 bed terrace house	790	£128,000	£162
5 bed detached house	2,166	£385,000	£178
		Average	£164

2.97 These figures are below the asking prices, which are around £10,000 higher for the flats and £25,000 higher for the three bedroom houses.

2.98 In 2007 prices being achieved for two bedroom flats ranged between £116,995 to £120,995 (approximately £195 - £200 per sq ft). Terraced houses were achieving £200,000 to £204,995 (approximately £230 per sq ft).

Broadland

2.99 The most notable development has taken place within the Sprowston growth area, which is located less than three miles from Norwich city centre.

Manor Reach, Sprowston (Norfolk Homes)

2.100 A major Tesco superstore is situated close to this development.

2.101 Manor Reach is currently in its first phase which consists of 64 homes from one bedroom apartments to four bedroom houses. Seven sales have been agreed in March, a selection of which are shown below:

Unit Type	Size (sq ft)	Sold Price	£ per sq ft
3 bed semi detached*	1,070	£173,000	£162
4 bed linked detached**	1,297	£229,950	£177
3 bed terrace house*	690	£130,000	£188
2 bed flat***	728	£118,000	£162
2 bed flat***	728	£110,000	£151
		Average	£168

* with garage

** with garage and car port

*** with car port

2.102 Values for houses have remained fairly stable during 2009 in comparison with 2008. However the prices of flats have reduced slightly. In March 2009 a sale was agreed for a two bedroom flat at £118,000 (£162 per sq ft) compared with £120,000 (£165 per sq ft) that was achieved in October 2008.

Summary

2.103 Average sales rates achieved in 2009 for the above schemes are shown below:

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Scheme	House average sales rate £ per sq ft		Flat average sales rate £ per sq ft	
	2009	2007	2009	2007
Costessey	£178	£215	£171	£216
Easton, Norfolk Homes	£160	£196	-	-
Cringleford, Bloor Homes	£175	-	-	-
Cringleford, Twidgen Homes	£148	-	-	-
Cringleford, Bovis Homes	£178	-	-	-
Poringland, Norfolk Homes	£146	£192	£172	£230
Mulbarton, Hopkins Homes	£170	£230	£151	£195 - £200
Sprowston, Norfolk Homes	£176	-	£157	-
Maximum average sales rate	£178	£230	£172	£230

- The highest prices for houses are being achieved in Cringleford and Mulbarton, reflecting the general trend in house prices in towns surrounding Norwich City.
- The highest average sales rate achieved for houses in 2009 is £178 per sq ft. For flats just over £170 per sq ft has been achieved this year.
- In 2007 maximum average sales were around £230 per sq ft for both houses and flats. This is consistent with general trends in prices, with flats experiencing greater reductions in value in comparison with houses.

Broadland and mid South Norfolk Housing market

- 2.104 This area covers the whole of Broadland outside of the Norwich housing market, and Long Stratton and Wymondham in South Norfolk (areas A, B, C, E, J and G on the housing market areas map on page 4).
- 2.105 Although this area lies outside of the Norwich housing market a significant proportion of people within it work in Norwich. Consequently this housing market area is economically very integrated with the Norwich housing market.
- 2.106 Within Broadland it is projected that the number of dwellings within this housing market will grow slowly in comparison with the rest of the sub-region. The exception is Aylsham where growth will be close to the average rate in the sub-region.
- 2.107 The Wymondham market area is the fastest growing area in South Norfolk, where projected dwelling and population growth exceeds the sub-regional average.
- 2.108 Average house prices by house type are illustrated in the table below:

Average House Prices	Detached	Semi-Detached	Terraced	Flat	Average (all properties)	Annual change %
Aylsham	£235,491	£155,911	£138,871	£89,139	£220,147	-15%
Hingham	£248,287	£161,448	£135,907	£121,740	£232,692	-13%
Wymondham	£245,517	£154,560	£140,234	£110,101	£194,302	-14%
Long Stratton	£234,357	£145,214	£127,474	£87,134	£194,946	-13%

Source: land registry

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- 2.109 Within Broadland residential schemes currently being delivered in the area include:

Orchard Way (Norfolk Homes), Aylsham

- 2.110 The Mileham Drive Phase of Orchard Way comprises 172 homes ranging from one bed apartments to four bed houses, all but six of which have been sold.
- 2.111 The sales agent commented that a reasonable level of interest is still being generated despite the current climate, and that they have tried to price the houses competitively in order to achieve sales. Although in most cases achieved prices are below asking prices. In February and March one house has sold and six sales have been agreed. The prices achieved are shown below:

Unit Type	Size (sq ft)	Asking price	Sales price	£ per sq ft
2 bed semi detached bungalow	878	£174,950	£165,000	£188
2 bed semi detached house	702	£139,950	£132,500	£189
3 bed detached house	1,115	£199,950	£190,000	£170
3 bed detached bungalow	1,311	£274,950	£260,000	£198
4 bed detached house	1,321	£234,950	£234,950	£178
			Average	£185

- 2.112 At the end of 2007/beginning of 2008 the following values were being achieved:

Unit Type	Size (sq ft)	Asking price	Sales price	£ per sq ft
2 bed semi detached bungalow	878	£199,950	£199,950	£228
3 bed detached house	870	£184,950	£184,950	£213
3 bed detached bungalow	930	£234,950	£234,950	£253
4 bed detached house	1,546	£289,950	£289,950	£184
			Average	£220

- 2.113 Based on the above figures average sales values being achieved in 2007 were approximately £220 per sq ft. In 2009 this reduced by 16% to around £185 per sq ft.

St Michael's Place (Hopkins Homes), Aylsham

- 2.114 It is located on the outskirts of Aylsham and is 13 miles from Norwich City Centre. Currently under construction, this Hopkins Homes development is a collection of 130 two, three, four and five bedroom flats and houses, which includes the redevelopment of the former St. Michael's hospital. It is not due to complete for another two to three years, however the ultimate timescale of construction is dependent upon current market conditions improving. Sales prices achieved in 2009 are shown below:

Type	Size (sq ft)	Sales price	£ per sq ft
4 bed flat	1,762	£334,000	£189
3 bed house	1,042	£195,000	£185
3 bed house	892	£200,000	£192
4 bed house	1,530	£249,000	£162
3 bed house	892	£175,000	£196
Average			£185

- 2.115 Current properties being advertised include a two bedroom flat at £134,995 (£208 per sq ft), and a three bedroom house at £209,995 (£185per sq ft).

Ansell's Way (Hopkins Homes), Horstead

- 2.116 Ansell's Way is a development of 34 two, three and four bedroom properties, ten of which are affordable, by Hopkins Homes. Asking prices range from £153,500 for a three bedroom terrace to £265,000 for a four bedroom detached house. We were unable to obtain any sales information from the marketing agent.
- 2.117 Within the mid-South Norfolk area the following schemes are being delivered:

The Limes (Persimmon), Long Stratton

- 2.118 Long Stratton is ideally situated on the A140 for both Norwich and Ipswich. The nearest train station is 10 miles away. Norwich is 12 miles away to the north.
- 2.119 The Limes is a new development of 56 homes launched in January 2009 one mile from Long Stratton. It comprises a range of 4 and 5 bed houses and 2 and 3 bed bungalows. It will also include affordable housing.
- 2.120 Asking prices at the development start from £203,950 for a four bedroom semi detached house and £212,500 for a four bedroom detached house, equating to a sales value of between range from £157 per sq ft to £183 per sq ft. The sales agent advised that currently no sales have been agreed.

Gardeners Green (Abel Homes), Hingham

- 2.121 Hingham is situated approximately 15 miles south-west of Norwich city and nearby to the three large market towns of Watton, Dereham and Wymondham. Hingham is conveniently located also for commuters to Norwich and Cambridge via the A11. The nearest train station is at Attleborough approximately three miles south of Hingham.
- 2.122 This is a development of 34 two, three and four bedroom homes with construction anticipated to be completed in June 2009. All but three of the houses are either two and three bedrooms. Nine of the houses are affordable units, which have been sold to a housing association. To date eleven properties have been sold since July last year, which works out at 1-2 sales per month. Average sales prices achieved were £212 per sq ft.
- 2.123 Asking prices currently range from £150,000 (£202 per sq ft) for a two bedroom house to £285,000 (£236 per sq ft) for a four bedroom detached house.
- 2.124 The Sales agent reported that deals are negotiated on an individual basis. There is no general policy to reduce prices, although more recently they have agreed sales at below asking prices. However the reductions have

generally been fairly minor i.e. less than £10,000 (less than 7%). Recent 2009 sales are shown in the table below:

Unit Type	Size (sq ft)	Sales price	Sales value per sq ft
2 bed semi detached house	742	£147,000	£198
2 bed terraced house	694	£148,000	£213
2 bed semi detached house	742	£150,000	£202
3 bed detached house	1,038	£210,000	£202
		Average	£204

- 2.125 These values are particularly high in comparison with other schemes in this market area and general house price trends. One potential factor is the high specification of the houses particularly in terms of sustainability standards.

Whispering Oaks (Matthew Homes), Wymondham

- 2.126 The historic market town of Wymondham is located on the A11 approximately 9 miles south west of the city of Norwich. It is well connected with train services are available to Norwich, London, Cambridge and beyond.
- 2.127 This is a development of 196 two, three, four & five bedroom houses and apartments by Matthew Homes, which began approximately three years ago. The scheme is being delivered over three phases, the last of which is currently being constructed and marketed. All plots released in Phase one have been sold. Phase two is almost completely sold, and properties released in Phase three are now available. Asking prices range from £145,000 for a two bedroom house to £299,999 for a four bedroom house. Incentives include carpet fittings.
- 2.128 Average sales figures being achieved at the end of 2008 averaged around £165 per sq ft. Taking into account house price reductions since the end of 2008 of just under 7% in Wymondham we would estimate current average sales rates to be approximately £155 per sq ft.
- 2.129 Sales achieved in 2007 were:.

Unit Type	Size (sq ft)	Sales price	£ per sq ft
2 bed flat	850	£153,000	£180
3 bed terrace house	1,138	£188,000	£165
3 bed detached house	933	£195,000	£209
4 bed detached house	1,147	£215,000	£187
4 bed detached house	1,482	£280,000	£189
		Average	£186

This represents a reduction in average sales values of approximately 17%.

Summary

2.130 A summary of values is provided in the following table:

Scheme	House average sales rate £ per sq ft		Flat average sales rate £ per sq ft	
	2009	2007	2009	2007
St Michael's Place, Aylsham, Hopkins Homes	£184	-	£189	-
Orchard way, Aylsham, Norfolk Homes	£185	£220	-	-
Whispering Oaks, Wymondham	£155*	£180	-	-
Gardeners Green Hingham	£204	-	-	-
Maximum sales value	£204	£220	£189	£230**

* estimated based on historic sales figures in 2008 and general house price trends in 2009

** No comparable evidence of sales of flats was available for 2007. However taking into account general price trends during the last year we estimate a rate of £230 per sq ft is achievable in peak market conditions. This assumes a current value of around £190 per sq ft and an increase in value of approximately 20%.

2.131 The highest values for houses are being achieved in Hingham at £204 per sq ft. Although this in accordance with general house price trends in comparison with other parts of this housing market, as house prices are generally highest in Hingham, the extent of the difference in value is abnormally high. A sales rate of £204 per sq ft is 10% higher than in Aylsham, the next highest area. Based on general house price trends we would expect values to be around 4% higher in Hingham for houses.

Rest of South Norfolk Housing market

2.132 This market area includes Beccles/Bungay, Diss and Harleston, which are more self contained in comparison with other areas of South Norfolk, and influenced by districts to the south and east. In Beccles/Bungay, Harleston and Diss housing markets lower dwellings and population growth is expected in comparison with the sub-region as a whole.

2.133 Average house prices for the last year are set out in the table below:

Average House Prices	Detached	Semi-Detached	Terraced	Flat	Average (all properties)	Annual change %
Diss	£254,233	£149,298	£126,447	£86,142	£208,512	-9%
Harleston	£235,534	£143,708	£124,691	£85,861	£201,099	-8%
Beccles	£215,332	£137,467	£117,248	£91,399	£191,417	-17%

2.134 Values are lower in Beccles/Bungay in comparison with Diss and Harleston, which are more central locations. Diss is also the main commercial and retail centre in South Norfolk, playing an important role as a shopping and employment destination for its local catchment. The highest prices for most house types are being achieved in Hingham, situated approximately fifteen miles west of Norwich City.

2.135 A number of schemes have been delivered in Harleston, which provides good A road links to Ipswich, Norwich, and Bury St Edmunds. The main line

station at Diss is approximately ten miles away, providing train access to London in just over one and a half hours.

Pitchers Place (Hopkins Homes), Harleston

- 2.136 Pitcher's Place is a development 75 new homes comprising two, three and four bedroom houses and two bedroom apartments, located in the heart of the Norfolk market town of Harleston. Twenty units are affordable.
- 2.137 To date sixteen are completed and occupied. The affordable housing element is due to be completed in April 2009 (by Flagship Homes). Construction is underway on a further twenty units, however no further construction is programmed until those units have been sold.
- 2.138 In early 2008 three bedroom terraced houses were selling for approximately £200,000 achieving a sales rate of £192 per sq ft. However in January 2009 the same house type sold for £175,000 at £168 per square foot. The sales agent reported that sales are currently taking place at approximately £20,000 to £30,000 below the asking price. Sales achieved in 2009 are shown below:

Unit Type	Size (sq ft)	Sales price	Sales value per sq ft
3 bed terrace house	1,040	£175,000	£168
3 bed terrace house	890	£170,000	£191
Average			£180

- 2.139 Bespoke incentives are being offered including stamp duty paid, contribution towards legal fees, contribution towards carpet fittings, which can total up to £7,000. This reduces the sales rate to approximately **£172 per sq ft.**

- 2.140 In late 2007 the following sales were achieved:

Unit Type	Size (sq ft)	Sales price	Sales value per sq ft
3 bed terrace	790	£167,500	£212
3 bed terrace	1,040	£199,995	£192
3 bed terrace	1,072	£209,995	£196
3 bed terrace	790	£175,000	£222
3 bed terrace	1,072	£229,995	£215
4 bed detached	1,457	£275,000	£189
Average			£204

- 2.141 This represents a reduction in average sales values of approximately 16%.

Sancroft Square (Persimmon), Harleston

- 2.142 Sancroft Square is a Persimmon development of 141 properties, comprising a range of two, three and four bedroom two and three storey homes, as well as a selection of 26 one and two bedroom apartments. Approximately 25% of the scheme comprises affordable units.
- 2.143 It is located on Mendham Lane, on the edge of Harleston with easy access into the centre.
- 2.144 The sales agent reported that it is mainly locals buying homes, with demand focusing on the houses as opposed to the apartments. Given the

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lack of interest in the apartments they entered into an agreement with Orbit Housing Association, who acquired a significant proportion of them. Persimmon are offering the following incentives include deposit paid schemes, fees paid, flooring packages, part exchange or assisted move scheme.

2.145 A sample of sales achieved in 2009 are shown below:

Unit Type	Size (sq ft)	Sales price	Sales value per sq ft
3 bed flat	1,090	£153,000	£140
2 bed flat	650	£95,000	£146
4 bed house	1,020	£159,000	£155
		Average	£147

Sales achieved in 2007/early 2008:

Unit Type	Size (sq ft)	Sales price	Sales value per sq ft
2 bed flat	640	£125,000	£195
2 bed flat	640	£124,000	£194
2 bed house	840	£141,000	£168
4 bed house	1,250	£205,000	£164
4 bed house	1,090	£209,950	£192
		Average	£183

2.146 This represents a reduction in average sales values of approximately 20%, significantly higher than the average for this area. However this is mainly due to the significant decrease in the value of flats, which reduced in value by 26%. Prices of houses only decreased by approximately 11%.

Meadowlands (Badger Building), Beccles

2.147 Beccles is a historic market town located on the Norfolk-Suffolk border, 18 miles away from Norwich. It is close to the main A143 and A146 routes to Lowestoft and Great Yarmouth and can be reached by train, via the Lowestoft-Ipswich east-coast line.

2.148 This is a development of 64 two, three and four bedroom houses and bungalows in Beccles, close to the Norfolk/Suffolk boarder. So far 36 homes have been completed, with construction ongoing. Current asking prices range from £175,000 for a two bedroom house to approximately £221,000 for a four bedroom house.

Summary

2.149 A summary of values is provided in the table below:

Scheme	House average sales rate £ per sq ft		Flat average sales rate £ per sq ft	
	2009	2007	2009	2007
Sancroft Square, Harleston	£155	£175	£143	£194
Pitchers Place Harleston	£172	£204	-	-
Maximum sales values	£172	£204	£143	£194

Preliminary conclusions Greater Norwich area

2.150 The table below shows average house prices for both new build and secondary housing stock for each of the districts, and the annual change in prices.

	South Norfolk		Broadland		Norwich	
	Average price	Annual Change	Average price	Annual Change	Average price	Annual Change
Semi detached	£160,634	-13%	£156,901	-13%	£154,040	-18.5%
Detached	£248,243	-11%	£225,475	-10.5%	£266,149	-3.5%
Terraced	£133,545	-15%	£134,363	-17%	£147,952	-13%
Flats	£105,163	-21%	£112,019	-23%	£117,342	-12.5%
All	£188,168	-14%	£185,003	-13%	£158,486	-10.5%

2.151 The following trends can be identified from the above figures:

- Average prices are highest in Norwich with the exception of semi-detached houses.
- Price decreases over the past year are lower in Norwich in comparison with other districts with the exception of semi detached houses. The reduction in the price of flats has been particularly acute in South Norfolk and Broadland in comparison with Norwich.
- Price reductions over the past twelve months are generally slightly less in South Norfolk compared with Broadland.
- Average prices of flats and terraced house are higher in Broadland in comparison with South Norfolk.
- Average prices of semi detached and detached houses are higher in South Norfolk in comparison with Broadland.

2.152 These trends are generally supported by the market research that has been carried out investigating sales values being achieved for new residential development within each of the housing market areas, although there are some anomalies. A summary of maximum sales values per sq ft for new build residential properties for each of the market areas is provided below:

Housing Market Area	Houses maximum average sales rate £ per sq ft			Flat s maximum average sales rate £ per sq ft		
	2009	2007	% change	2009	2007	% change
Norwich City	£205	£230	-11	£254	£300	-15
Rest of Norwich housing market	£178	£230	-22	£172	£230	-25
Broadland and mid-South Norfolk	£204*	£220	-7*	£189	£230	-18
Rest of South Norfolk	£172	£204	-16	£143	£194	-26

*Anomaly based on high sales values in Hingham in 2009 (£204 per sq ft). General house price data coupled with price changes observed on individual schemes in South Norfolk suggests the value of new houses has dropped by around 12 -18% since the last peak in values. This would reduce sales values to approximately £180 - £190 per sq ft.

- The figures above illustrate that average sales values per sq ft are highest in Norwich City for both houses and flats for both periods.
- Price decreases for houses over the past year have been greatest in the South Norfolk (Norwich housing market) area. The significant amount of housing development that has taken place in recent years in this part of Greater Norwich may be a contributory factor to this. This increase in supply, with a number of schemes competing against each other, coupled with a sharp fall in demand due to current market conditions has affected values.
- Values for Broadland and mid-South Norfolk are slightly higher than for South Norfolk.
- The value of new flats has generally reduced significantly more than the value of new houses, with the greatest reductions in the Rest of South Norfolk housing market. A key factor is the lack of first time buyers entering the property market resulting in a significant reduction in demand for flats.
- Demand is highest for good quality family housing, particularly two storey three and four bedroom houses.
- Average per sq ft sales values are generally highest for smaller unit sizes.
- Construction activity has slowed due to the reduction in the number of sales.

Land Values

- 2.153 The value of land is affected by a number of factors such as the size and location of the plot, the objectives of the vendor, its current use, access to existing infrastructure, planning policy, and contamination levels. These factors, together with the confidential nature of many land transactions make reliable data collection on land values problematic. Due to the different characteristics of individual sites it is also difficult to generalise about land values.
- 2.154 We have held discussions with a number of land buyers active in the area such as Persimmon Homes, Norfolk Homes and Hopkins Homes, as well as with experienced local agents, in order to gain an understanding of the land market in Greater Norwich.
- 2.155 The land buyers commented that they have not undertaken any land transactions in the last twelve to eighteen months, and that there have been very few development land transactions generally. This is largely attributable to the poor state of the prevailing market conditions. Land owners are retaining plots until purchasers are financially able to submit offers closer to their sale price expectations.
- 2.156 One local agent stated that the last residential development land deal that he completed was in December 2007 which had been agreed in Summer 2007. He said that they have other parcels of land to sell but there are no buyers interested in acquiring them. As a result they have decided to remove most of them from the market and wait for market conditions to improve.
- 2.157 The general consensus of land buyers and agents is that land values have halved since the 2007 peak, although there is little transactional evidence to support this.
- 2.158 In light of the challenges faced, some residential agents anticipate development land values will not return to their 2007 peak until 2014.

Norwich

- 2.159 Discussions with local agents and land buyers indicate that values for serviced greenfield residential sites in Norwich were £1,000,000 - £1,200,000 per acre in 2007 with values now being closer to £500,000 - £600,000 per acre.
- 2.160 Given that many sites within Norwich city are brownfield sites, we have researched prices paid for a number of these types of development sites in order to get an understanding of values being achieved for brownfield land. The Wensum Clothing Factory is a 0.6 hectare (1.46 acre) site on Northumberland street in north-west Norwich, which was acquired in February 2007 for £726,000 (£490,500 per acre). The site has planning permission to deliver 48 residential units and 418 sq m of office space.
- 2.161 In west Norwich a 1.56 hectare (3.85 acre) site on Earlham Road was acquired for £3m in May 2005 (£780,000 per acre). Planning permission was subsequently secured to deliver 41 housing units. Start Rite show factory on Crome Road in north east Norwich was acquired in 2005 for £2.5m (£1.1m per acre), which subsequently received planning for 151 residential units.
- 2.162 A development opportunity on a 0.5 acre site is currently being marketed with a guide price of £1m. There is currently a planning application for demolition and construction of 19 mixed residential units and 1 retail unit. The land is situated off Oak Street, just to the Northern side of the inner ring road and offers an opportunity to design a suitable scheme from scratch.
- 2.163 This illustrates the wide range of values being achieved within Norwich city for Brownfield land, which are dependent on individual site characteristics and the nature of development that can be delivered on them. Due to the individual nature of Brownfield development sites it is impossible to generalise about land values for these types of sites. Any tariff policy will need to contain sufficient flexibility to address viability issues associated with individual Brownfield development sites.

South Norfolk and Broadland

- 2.164 Feedback from land buyers and agents suggest there is a marginal difference between values in South Norfolk and Broadland. This is mainly due to the better connections, particularly in the northern part of the South Norfolk District (which forms part of the Norwich Housing market area), providing easier access to other major centres such as Peterborough, Cambridge, Ipswich and London. Values per acre have historically been between £900,000 to £1,100,000 per acre at their peak. Land values are lowest in the more remote locations in South Norfolk, although this does depend on the individual characteristics of the site.
- 2.165 We were advised by a local agent that they were marketing a Greenfield site of just under 7 acres in Costessey, on the edge of a mixed use development site. It was originally given permission for a density of 1,200 units. This has now been raised to 1,500 and is expected to reach 1,900. When market conditions were good, they were quoting £1,200,000 per acre. At present they have a housing association interested in the site who have said they might be able to offer £250,000 per acre.
- 2.166 Norfolk Homes have been particularly active in Broadland. Their land buyer advised that the last site they bought was in Sprowston in September 2006 which was £7.1m for approx 8.5 acres net developable area (£840,000 per

acre) to develop 120 dwellings. The land benefitted from a planning consent with virtually no s.106 costs to the developer and a fully serviced site with all major infrastructure provided. However he advised the site is worth considerably less today given the reduction in residential sales values.

- 2.167 With regard to Greenfield un-serviced strategic land bought without permission on the basis of hope value we were advised by land buyers that they would be prepared to pay in the region of one third to one half of the full residential land value for land.

Supply Pipeline

- 2.168 Further phases of schemes identified in this report will be developed over the next few years, although the pace of development will be dictated by market conditions.
- 2.169 Within Norwich city centre planning permission has been granted for a major mixed use scheme known as St Anne's Wharf. The site is located in the conservation area of Norwich City Centre with frontage to the River Wensum. The development contains 435 new apartments and approximately 5000m² of retail, leisure and live/work accommodation. Although work is progressing on the affordable houses and the town houses work on the bulk of the homes is being held back for at least a year until the market improves. Developer contributions of £1.7m (equivalent to £4,250 per unit) were secured to help fund the construction of a new bridge.
- 2.170 To the west of Norwich city in Bowthorpe village up to 1,200 private and affordable dwellings are proposed to be delivered on 33 hectares of Norwich Council owned development land. The council began marketing the site to developers in June 2007.
- 2.171 A new development by Hopkins Homes of over 100 apartments and town houses on Rosary Road in Norwich is due to launch in 2009/2010.
- 2.172 In January, Crest Nicholson, bought the former Jarrold printworks site from Norwich City Council and local department store owner and publisher Jarrold, with a view to building 200 properties there. The site, in the Whitefriars area, is part of a substantial redevelopment of the former works, and will also include offices and a hotel. Crest Nicholson hopes to submit a planning application by April, with a view to starting work by the end of the year.

3. Employment market

General Commentary

- 3.1 The results of a recent survey of agents, developers published in the March 2009 edition of the Estates Gazette suggest the region has been severely affected by the recession, with further deterioration likely over the next six to twelve months.
- 3.2 In the occupier market confidence has plummeted. The investment market has yet to 'bottom-out' with up to a 15% drop in capital values, and predictions of further falls between 5% to 10%, as yields continue to shift outwards.
- 3.3 In terms of development, many developers will currently only develop with a pre-let, and finance is not likely without a tenant in place to take space before construction commences. In the survey, respondents saw the lack of funding as the biggest threat to the region's property market, with nearly one-half saying it is very hard to secure. With rents forecasted to drop from lack of demand from occupiers for space, it is expected that developers will begin breach the covenants of their existing loan facilities with the banks.
- 3.4 Agents are reporting that the availability of buildings has risen significantly over the past six months with the supply of both offices and industrial units increasing by more than 50 per cent.

Offices

Norwich City

- 3.5 The key driver of occupier demand in Norwich over the last five years to Quarter four 2008 has been the financial sector. Norwich is the largest financial centre in the Eastern Region, with this sector accounting for over 39% of all office take up. This is followed by Public Services at 35%, and Business Services at 21%.
- 3.6 Very little office development has taken place close to the city centre during the last 10 years. However this trend is starting to reverse with the development of a significant mixed use scheme on Barrack Street known as Whitefriars. The development will include 200 homes, 60 of which will be affordable housing, 220,000 sq ft of office space, up to 16,000 sq ft for shops, restaurants and cafes. The scheme will also contain hotel and public square as well as cycle routes, footpaths and a pedestrian bridge across the river. Phase one of the office development has been completed, part of which is occupied by DEFRA.
- 3.7 In addition there is a major mixed use scheme planned at Dukes Wharf by Targetfellow. This is a 200,000 sq ft mixed-use scheme on the former Electricity site in the city, for which planning permission was received in November 2008. However, without a substantial amount of pre-lets the £50m development, which includes a total of 125,500 sq ft of office space is currently on hold. This is an example of a scheme where funding is directly linked to pre-lets. The occupiers have not been secured so the scheme cannot move forward without the funding.
- 3.8 In terms of take-up, 2008 was only just short of the five year average. The consensus is that it will be down by one-third in 2009, according to one local agent. Supply of space is currently approximately 410,000 sq ft. The agents are currently finding comfort in the fact that schemes such as Dukes

Wharf are on hold, as the market has very little new stock, and therefore vacancy rates can be kept to a minimum.

- 3.9 With the lack of availability of new grade A office space, rental levels have remained consistent from the peak of the market in summer 2007, with prime rents at £16.50 per sq ft. The Whitefriars scheme was mentioned by a number of agents, with the most recent letting in the summer of 2008 to DEFRA and a firm of solicitors at £16.50 per sq ft.
- 3.10 Older space can be found to the north side of the city centre along St.Crispins Road, within the inner ring road at Cavell House, where lettings were achieved in 2008 at £13 to £14 per sq ft. Cavell House is a five storey, prominently located, high density office building with occupiers including occupiers include British Telecomm, Regus, and Prudential. The last letting at Cavell House was 15 months ago for £14 per sq ft.

Out of Town Offices

- 3.11 The development of a number of high quality out of town business parks has increased the focus away from Norwich City Centre towards these locations in recent years. A number of blue chip companies have been attracted to this higher quality, modern, accessible space, which is being provided at competitive rental prices. Consolidation, the demands of IT and rising and changing expectations means that many have been relocating to newer office stock provided on business parks.
- 3.12 Broadland Business Park is the most notable out of town office scheme, developed by Lothbury Property Trust. It is regarded as the premier location for grade A offices by most of the agents we spoke to. The scheme is situated approximately four miles to the east of the city, adjacent to the A47 bypass, providing good access to the road and rail network. The site has infrastructure in place and a mature landscaped setting, The parking provision for Broadland is well above average and the buildings are constructed to suit large and small companies, with units being available from 4,000 sq ft. Occupiers include a number of blue chip companies such as RBS, Norwich Union, Norfolk County Council, and Lloyds TSB.
- 3.13 Local agents advised that prime office rents have peaked at £16.50 with very little evidence that this is currently being achieved. Whilst they are generally not confident that there will be any growth in rents in the current market for the next 18 months, they are optimistic that due to the general lack of supply of newer grade A space rental values should remain reasonably stable.
- 3.14 The most recent letting was of the Lakeside 200 phase of Broadland Business Park, which was let to Oceanteam in June 2008, achieving £16.50per sq ft. Bankside 300, which is a 30,000 sq ft building, is the most recently launched phase of the park. Space is being marketed at £16.50 per sq ft.
- 3.15 Other relatively new out of town office schemes all situated approximately four miles east of Norwich city centre are Meridian Business Park and St Andrews Business Park. These business parks provide lower grade specification in comparison to Broadland Business Park, and therefore command lower rents. However, the accommodation tends to be smaller in size, levelling the rents out to around £15 to £15.50 per sq ft.
- 3.16 Bidwells are marketing 2,259 sq ft of space at Meridian Park. The accommodation is of relatively good specification, is being marketed at £16.50psf and has been on the market for 6 weeks. They are quoting this

level because Broadland is directly opposite. Broadland is of better specification, however the Meridian Park space is smaller, which explains this quoted rent, they are hopeful to achieve £15 to £15.50 per sq ft.

South Norfolk Offices

- 3.17 South Norfolk's most prominent business location is Diss Business Park, which is an ongoing development of business units providing office and industrial location. Situated on the outskirts of Diss, 23 miles south west of Norwich. The location is served relatively well by transport links, with a mainline railway station connecting Diss to Norwich, Ipswich and London Liverpool Street and road links including A140 and A143.
- 3.18 The area has been identified as one of the centres for employment growth in East Anglia because of it's strategically important location to the region. However as a business location it is still yet to thrive, mainly due to the lack of newer space available and the inability for Diss to attract large named occupiers.
- 3.19 We spoke with Brown & Co who are currently marketing Diss Business Park. The accommodation is fairly modern with unit sizes ranging from 600 sq ft to 12,000 sq ft. The scheme provides substantial car parking for all of the units.
- 3.20 Development of the 20 acre site began in 2004 and the scheme is only 40% complete, reflecting the slow moving commercial market in south Norfolk. The site is only 30% let to mostly local, independent occupiers, with the only well known occupier being NFU Mutual. The scheme is being constructed in various phases, which are highly dependent on demand and pre-lets before construction can continue. According to local agents development has stalled given the lack of tenant demand.
- 3.21 Rents achieved in the region of £8 to £10 per sq ft in mid 2008 for the office accommodation and £4.50 per sq ft for the industrial space.

Office Investment Market

- 3.22 From the market research we have carried out it is evident that the Norwich office landscape has altered over the last two years, mainly due to the acceleration of high specification, efficient schemes such as Broadland, in comparison to a lack of new city centre office schemes.
- 3.23 In 2007, before Broadland was established Norwich city would have provided a more attractive investor location. In today's market, the lack of new schemes in the city and the fact that Broadland are attracting higher profile occupiers has changed the yield profiles for the region, with the gap between the city centre and out of town locations reducing.
- 3.24 One agent we spoke to commented that yields within Norwich city have moved out by 2 to 2.5 basis points since the peak of the market in 2007, which has reduced capital values by approximately 20 to 25%. One transaction that represents the peak of the market is the sale of 1 Theatre Street., which completed in July 2007 for £2.2m, equating to an initial yield of 6.00%. The property was let to a tenant with strong covenants for a term certain of 15 years. This puts current yields for Norwich city at around 8.5%.
- 3.25 Feedback from agents suggests yields for out of town offices at schemes such as Broadland Business Park are at approximately 8.75%. This correlates with national trends for yields of out of town office parks providing modern well let space.

- 3.26 It must be noted that there are a large number of factors that affect the yield of a property, particularly lease length and tenant covenant, and that generalising about yields can be misleading.

Supply Pipeline

- 3.27 There is currently 16,000 sq ft of office space under construction in Norwich.
- 3.28 In 2007 plans were submitted by developer Targetfollow for Dukes Wharf – an extensive mixed-use scheme centred around the city's historic core, designed to accommodate retail, leisure, residential and 140,000 sq ft of office development. On visiting Norwich it was evident that construction has not commenced, the site is currently being used as a car park. There was a sign announcing Dukes Wharf as a development coming in the future.
- 3.29 Wrenbridge are developing Plot 500 at Gateway 11 on Wymondham Business Park. The 15,600 sq ft two storey office building is also due for completion in 2009.

Industrial

- 3.30 Norwich is not a recognised industrial location, being too far from the UK's distribution network. According to a recent PROMIS report Norwich's industrial stock has reduced by over 35% during the past 20 years. With a similar situation to the office market in Norwich, there is a lack of development for industrial property. According to PROMIS there is currently 5,000 sq ft of space under construction in the Norwich industrial market. This compares with an annual average level of completions over the last five years of 195,000 sq ft by year, all the space under construction is expected to complete in 2009.
- 3.31 South Norfolk benefits from a strong manufacturing sector. For example in Beccles/Bungay and Harleston it employs 19% of the working population, and in Diss 17%. The sub-regional average is 14%. The district contains a number of significant employers such as the sports car manufacturer Group Lotus in Hethel, and Hamlin electronics and Stadium Power in Diss. Norwich Research Park in Colney is home to several leading research institutes, with a particular strength in food and bio-technology.
- 3.32 Feedback from local agents is that industrial rents don't tend to vary hugely across the various locations within a 10 mile radius of Norwich city, although industrial landlords are more likely to achieve higher rents on the southern and eastern side of the city, within close proximity of the major trunk roads for the area, the A47 & A11. Top industrial rents in and around Norwich have dropped around 8-10% from there peak in 2007 of £6.25 to £5.75 to £6n per sq ft. They have remained relatively flat over the last six months.
- 3.33 One of the main industrial locations is Wymondham, approximately 10 miles to the west of Norwich, where brand new smaller units of 1,500 sq ft had achieved £6.50 to £7 per sq ft eighteen months ago.
- 3.34 In terms of more recent evidence, Bidwells are marketing pre-lets for an industrial unit in Sweetbriar Industrial Estate. The proposed units are situated 3 miles north west of Norwich city within an established industrial estate. The site currently has outline permission to construct two industrial units of 2,800 sq ft and 13,200 sq ft respectively. The intention for the scheme is for the agent to secure pre-lets on the properties before construction can begin.

- 3.35 Broadland Business Park also provides industrial accommodation, where Citylink took 37,500 sq ft of space on a pre-let at 19a Memorial Way, paying £6.25 per sq ft.
- 3.36 The units are currently being marketed at £5.75per sq ft , which currently represents prime industrial rents for industrial property within the periphery of Norwich city. However this rent has yet to be achieved on this scheme. The most recent letting at Sweetbriar Industrial Estate, was in February 2009, where 2,500 sq ft of older space was let to Enterprise Security Distribution for £5.65psf, on a three year term.
- 3.37 In South Norfolk Diss is the most notable industrial location. New build industrial units with are currently being marketed at £4.50psf.

Investment market

- 3.38 Norwich is not a recognised industrial location, being too far from the UK's distribution network and unable to attract major occupiers and therefore investors.
- 3.39 Prime industrial yields in the UK in mid 2007 were around 5% to 5.25%. Given that Norwich is not a prime industrial location we would estimate yields at the peak of the market to be in the region of 6%.
- 3.40 Although there is very little transactional evidence, one transaction did take place in September 2007, which supports this when Wrenbridge sold Salhouse Road in Norwich. The property included 269,998sq ft of factory space and 7 acres of land for further development. It was sold for £11.6m, equating to a yield of 6%.

Land Values

- 3.41 Local agents advised that the value of well located land with efficient infrastructure provision serviced for office development currently is around £250,000-£400,000 per acre.
- 3.42 According to one agent they sold land that had planning and infrastructure in place for office redevelopment in mid-2008 for £500,000 an acre. They are currently guiding on another similar plot this year, quoting £450,000 an acre. This level has not been achieved as yet, but it represents around a 10% drop in land value for serviced land from the peak of the market.
- 3.43 There is little transactional evidence for industrial land, although one agent advised that land in the peak of the market in 2007 was at £400,000-£450,000 per acre. They were of the opinion that industrial land values had dropped in the region of 20% and to around £350,000-£375,000 per acre.

Supply Pipeline

- 3.44 Approximately 5,000 sq ft of space is expected to be developed in 2009, all of which is pre-let or purpose built.
- 3.45 There is approximately 10 acres (4 hectares) of land still available within Broadland Business Park for development of mainly warehousing or production facilities and some further office redevelopment.
- 3.46 Approximately 18 acres remain available for mixed-use development including hotel, leisure, offices and industrial/distribution uses on Wymondham Business Park.
- 3.47 An 11 acre development site on the Longwater Business Park is currently on the market. It is available for all commercial uses including office,

warehouse and trade counter. The site comprises 10 plots of land ranging from 0.24 up to 1.37 acres.

Retail Market

Norwich City

- 3.48 Norwich city reaches an extensive catchment area, spreading across Norfolk and the wider East of England region. It is currently placed 5th in the national ranking of shopping locations. According to GVA Grimley's Retail and Town Centres Study in October 2007, it was achieving around 44% market share of available comparison goods expenditure from the 3 districts. City centre retail floor space in Norwich is estimated at 2.22 million sq ft. The most recent addition to Norwich's retail offer is Chapelfield Shopping Centre, which opened in September 2005.
- 3.49 It is likely that Norwich City Centre will not lose its significant position in the future, however, GVA Grimley report that it is possible that smaller market towns in Broadland and South Norfolk District could be impacted by growth in neighbouring centres, such as Lowestoft, Great Yarmouth, Dereham, Thetford and King's Lynn.
- 3.50 The upper ground mall in Chapelfield together with Haymarket and the southern half of Gentlemen's Walk are considered the strongest pitches. At the end of 2008, agents estimated prime rents in Norwich at £200 to £220 per sq ft Zone A.
- 3.51 In April 2008, Fat Face took a new lease at 3-4 Haymarket at a headline of £245 per sq ft Zone A. However, it is understood that the retailer received a substantial incentive package including nearly a year's rent free period and a generous capital contribution. According to PROMIS Norwich Retail Report the deal breaks back to around £200 per sq ft Zone A.
- 3.52 At Castle Mall shopping centre, top Zone A rents of £140 per sq ft have been achieved on the ground floor. On the first floor, rents are lower ranging from £55-£75 per sq ft Zone A.
- 3.53 Rents on Back of the Inns are around £130 per sq ft Zone A. In April 2007 a letting to L'Occitane achieved £129 psf Zone A. Rents on Castle Street are reportedly £135 per sq ft Zone A.
- 3.54 St Stephen's Street – in summer 2007 New Look took a lease on a unit in a deal that reflected £90 per sq ft Zone A.

Broadland

- 3.55 Aylsham is recognised in the Retail and Town Centres report as an important smaller market town, which mainly serves the local resident population. However, it can not compete with the larger scale retail centres found in Norwich City Centre and out of town shopping locations.
- 3.56 The town centre has around 70 units, including a strong food shopping destination with Budgens and Somerfield being its anchor stores. This was made stronger by the opening of a new Tesco supermarket opposite the train station. Much of the town is classified as a 'Conservation Area' and there are over 200 Listed Buildings. This has significant implications on development potential.

South Norfolk

- 3.57 Diss, Harleston and Wymondham are recognised in the Retail and Town Centres report as important smaller market towns. They can not compete with the larger scale retail centres found in Norwich City Centre and out of town shopping locations.
- 3.58 Diss is approximately 32km to the south of Norwich City Centre and is the main commercial centre in the South Norfolk District, consisting of 140 retail units in the town centre. Tesco and Morrissons are located to the south of the town centre. The Local plan identifies an area of 4.14 hectares for the development of a combination of small-scale food /discount retailing, non food 'bulky goods' retailing and leisure uses.
- 3.59 Wymondham is characterised by small independent retailers and services. There are around 100 units. 36% of which are accounted for by Service businesses. Wymondham is considered as a town centre that could benefit greatly from retail expansion, especially with new residential developments (up to 8,00 new homes are projected) that would benefit the existing shops as well as generating capacity for new shops and facilities.
- 3.60 Harleston comprises 82 units, with Budgens supermarket as the towns anchor store. There are also five retail units outside of the town centre boundary.

Retail Parks

- 3.61 There are 11 retail parks in the Norwich retail catchment area.
- Riverside Retail Park is situated south-east of the city centre and was completed in late 2001.
 - Sprowston Retail Park occupies a prominent site two miles north-east of Norwich city centre.
 - Sweet Briar Retail Park is approximately two miles north-west of the city centre, developed in the early 1990s.
 - Norfolk Retail Park (also know as Longwater Retailed Park) is situated at Costessey, on the western edge of Norwich. It opened in 1998.
 - Cathedral Retail Park, located on the edge of Norwich city centre on Westwick Street.
 - Hall Road Retail Park, south of Norwich city centre.
 - Pasteur Retail Park, Great Yarmouth.
 - North Quay Retail Park, Lowestoft.
 - Forest Retail Park, Thetford.
 - Holt Road Retail Park, located at the northern edge of the Norwich area at Cromer. Completed in 2002.
- 3.62 The prime retail warehouse rent in the Norwich area is £35 per sq ft, achieved on a letting to Clarks at Riverside Retail Park in January 2007.
- 3.63 At Norfolk Retail Park, Argos took a new lease in December 2008 at £15 per sq ft, representing a new top rent for the park.
- 3.64 At Hall Road Retail Park, agents maintain that Estimated Rental Values are around £14.50 per sq ft, having shown little uplift in recent years.

Supply pipeline

- 3.65 An application for a retail warehousing scheme on Anglia Square has been submitted involving substantial retail that includes a food store, cafes and restaurants. The scheme also includes some residential and office elements.
- 3.66 At Wymondham, Wrenbridge Charts Farm has been granted planning consent to build a new Focus DIY store with garden centre.

