



**NORTH WEST BICESTER  
EXEMPLAR LOCAL CENTRE:  
BUSINESS CASE FOR THE  
COMMERCIAL UNITS  
MAY 2019**

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# 1.0 BACKGROUND

As the UK's first eco town, North West Bicester (NW Bicester) is a pioneering mixed-use development of national significance. Building a vibrant, sustainable and healthy community is at the heart of the development and the provision of local facilities on site will play an important role in not only promoting environmental sustainability but also fostering this strong sense of community spirit.

Elmsbrook is the first or Exemplar stage of development at NW Bicester ('the Exemplar'), and the timing of the delivery of the local centre is set out by the Section 106 agreement. The current scheme was granted detailed planning consent in July 2016 and the scheme included a convenience store, retail units (x5), community centre, offices, day nursery and pub. The Masterplan, adopted by Cherwell District Council as a Supplementary Planning Document, has identified three local centre sites within the NW Bicester development. The three local centre sites have been strategically located in the north (Elmsbrook), the south (The Square) and in the centre (The Cross) of the development (also north of the railway), each with their own identity and working together holistically rather than in competition and delivered at different stages of the development of NW Bicester.

The importance of the role and function of the local centres has been recognised by A2Dominion Developments Limited throughout the process. In the case of NW Bicester, the local centres provide more than just a retail and service centre purpose; the centres are seen as an opportunity to promote healthier and more sustainable lifestyle choices through both the goods and services offered but also by helping to promote more sustainable transport choices by ensuring that a centre was linked by walkways and cycle paths with every home being a maximum of a 10-minute walk away. In this way, the centres become the heart of the community and an integrated part of everyday life.

At the time of the Exemplar planning permission and the stand alone Local Centre permission, A2Dominion Developments Limited's intention was to build out the majority of the masterplan area north of the railway line, which would serve to support the Local Centre. The continued development of the masterplan as its current applications (LPA refs 14/01384/OUT and 14/01641/OUT) which amount to some 3500 homes of the 6000 allocation, has been reviewed by A2Dominion Developments Limited and demonstrated to be unviable, resulting in A2Dominion Developments Limited deciding not to pursue further development north of the railway line.

However, A2Dominion Developments Limited wish to complete the Exemplar phase and provide a Local Centre to meet the needs of the community. Consequently, A2Dominion Developments Limited are no longer in a position to provide certainty on the content and programme for the next phases beyond the Exemplar, and therefore at this time the Local Centre can only be considered in the context of serving the Exemplar. The proposals for the Local Centre have been reviewed on this basis.

Elmsbrook contains 393 new homes along with primary school, energy centre, business centre and the local centre. To date 171 homes have been built, with the remaining 222 under construction.

This Business Case considers the appropriate mix and quantum of commercial uses in the Local Centre and only covers the units to be leased out in the open market, namely Units 2 & 3 in the block to the south of the spine road. It therefore excludes the Community Hall and Café (Unit 1) in the block to the north of the spine road.

The Local Centre is therefore part of the initial Exemplar phase of development at North West Bicester with a total of 393 homes when fully built out. It therefore requires the flexibility to serve this community and then to adapt as and when the next phases elsewhere in the master plan area come forward. For

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this reason this application seeks permission for Use Classes A1/A2/B1/D1 on Unit 2 and Use Classes A1/B1/D1 on Unit 3 as well as the capability for amalgamation or sub-division.

The scope and instruction for the Business Case excludes financial appraisals.

## 2.0 EXEMPLAR LOCAL CENTRE

The approved scheme (granted planning consent in July 2016) included a convenience store, five retail units, community centre, offices, day nursery and pub/restaurant. The timing of the development is dictated by Schedule 8 of the Section 106 agreement namely:

- To service and substantially complete the convenience store prior to the occupation of the 250th dwelling.
- To service and substantially complete the community centre prior to the occupation of 250th dwelling.
- To substantially complete the offices, nursery and ancillary retail stores prior to the occupation of the 350th dwelling.
- To ensure the site for the Public House is available for use as a Public House and market the site for use as a Public House in accordance with an approved strategy until the Public House is developed or for no less than five year following completion of the Development (whichever is sooner).

The new design in this application provides the flexibility in uses and unit sizes to achieve beneficial lettings in light of the current circumstances. The objective is to secure the right mix of tenants that will provide services to meet the needs of the residents, on financial lease terms tailored to reflect the operator reflecting the population numbers and resulting catchment audience. As part of this, subsidised terms (including reduced rent) will be considered for required trading up periods.

The proposed local centre therefore now contains the community hall and café (Unit 1), plus the two commercial units (Units 2 and 3) suitable for independent retailers, children's day nursery and/or B1 offices, all being on the ground floor, described as follows:

**"Development of a new Local Centre comprising Retail, Commercial and Community floorspace (flexible Use Class A1/A2/A3/B1/D1), with a total GEA of 1,476 sqm, and 38 residential units (use class C3) with associated access, servicing, landscaping and parking."**

The position of the local centre within Elmsbrook, without main road frontage, excludes the potential for additional 'drop in' passing trade. The development is in a 'High Street' format along Charlotte Avenue, with parking and servicing to the rear.

Units 2 and 3 will be left as an open 'shell' for internal sub-division into separate units of occupation as dictated by market demand and tenant fit out.

The commercial units will meet BREEAM 'Very Good' and Zero Carbon and will be designed for standard occupancy requirements with capacity for monitoring energy and waste production.

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The commercial unit sizes are as follows:

PROPOSED FLOOR AREA (SQ M) GIA	
<b>Unit 1: Community Hall &amp; Café</b>	552
<b>Unit 2: A1/A2/D1/B1</b>	487
<b>Unit 3: A1/D1/B1</b>	268
<b>TOTAL</b>	<b>1307</b>

### 3.0 MARKET FACTORS

A2Dominion Developments Limited wish to complete the Exemplar phase including the Local Centre to meet the needs of the community, provided that a satisfactory permission for the Local Centre can be secured.

The challenge for the Exemplar local centre will be that 393 houses will generate insufficient custom for most retailers without certainty over future occupations elsewhere in the master plan area, with the current applications promoted by A2Dominion being agreed as being unviable. Operators of the commercial units in local centres are primarily concerned by the catchment population; the existing number of houses and known build-out numbers to be serviced by the centre. The mix and quantum of commercial units in this scheme must therefore follow this.

Convenience store operators, for example, typically require a threshold of around 1,000 houses but do consider opening with smaller house numbers on a stepped rising rental formula, but usually where there is defined build out programme. Independent retailers can often accept lower threshold numbers, but with 393 houses we would expect that the rents will need to be reduced below the prevailing market level for local centre units until such time as future phases are completed.

When considering local centre locations, operators look at factors including whether there is an 'anchor' food store to attract regular custom, the house numbers and build rate to determine the quantity of customers, main road prominence for passing trade, surrounding uses (eg school, day nursery, doctors surgery) to draw visiting customers, and competition both on and off the development.

Another contributory factor is that Bicester already has a good range of retail stores, in the town centre, across various local centres and the Tesco superstore on the edge of town in addition to the Sainsburys in the town itself. Many of these other locations are within easy reach of Elmsbrook by foot, bicycle, bus or car.

A recent local centre example is at Kingsmere in Bicester. This local centre will consist of a convenience store, an estate agent, two hot food takeaways and a children's day nursery. We understand that there were approximately 600 homes built at the time of marketing these units, with approximately 1,200 homes built when it opened and ultimately serving 1,750 homes when Kingsmere is completed.

Another example will be the local centre at Graven Hill which will ultimately serve 1,900 homes when fully built. Graven Hill is still at an early stage and the centre will be marketed to offer a convenience store, three retail units, café, and two offices.

Given that this Local Centre is being built at a very early stage of North West Bicester, our strategy is therefore to take a flexible approach to Units 2 and 3 rather than pre-judge demand. Initially there may, for example, be interest from a range of independent retailers that share the values of North West Bicester, selling fresh produce as well as everyday essentials, and perhaps also servicing home deliveries. Units 2 and 3 can be sub-divided as demand dictates and then re-configured as the mix of occupiers change over time to reflect the population increasing.

We also expect there to be demand from a day nursery operator in due course, but the Exemplar on its own may prove to be inadequate. Unit 2 would be adequate for 80-90 places.

The combined floor area within Units 2 and 3 is sufficient to offer flexibility between Day Nursery, large or smaller retail and offices as the demand arises.

Moreover, A2Dominion Developments Limited will not only commit to building the local centre in a timely manner, but also to offering the units initially on favourable commercial terms to attract occupiers.

This enables the units to be marketed based on complete flexibility to give the greatest chance of securing early lettings. Given that this scheme has not been market tested, it gives the strongest chance of having units occupied rather than remaining empty by gearing the design to future population figures.

The Marketing Strategy will therefore propose that the scheme is marketed alongside the planning application being considered, therefore subject to consent being granted. The Strategy defines the activities to be undertaken, and in this way will produce tangible market feedback.

Finally, NW Bicester is pioneering many forms of sustainable living, often involving new technology. Retailing will not be exempt from this involving emerging ideas for home delivery and collection of groceries via mobile shopping.

The local centre is not a destination office location and therefore it is considered that the business centre will service any localised office demand. The licensed café would perform the function required at the Exemplar local centre, having regard to the proposed family pub in the 'Cross'.

## **4.0 SUMMARY AND CONCLUSIONS**

The Exemplar Local Centre is part of the initial phase of development at North West Bicester, serving 393 homes when fully built out. By seeking permission for flexible uses across units 2 and 3, it allows the internal configuration to adapt to changing occupier demand as the population grows, alongside the commitment by A2Dominion Developments Limited to implementing the Marketing Strategy including initially offering subsidised rates where necessary to secure occupiers.

A2Dominion Developments Limited's primary objective is to secure long-standing operators for the local centre to service the residential community and accept that the level of rent and terms of letting will be determined by the market demand.

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# ABOUT BIDWELLS

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Bidwells is a multi-disciplinary Chartered Surveying and Property Consultancy, operating across Commercial, Rural and Residential markets. Bidwells are heavily involved in the 'Golden Triangle' of Oxford, Cambridge and London, working on major science and technology campuses, residential and mixed-use development projects. The team at Bidwells have extensive experience in the local centre market, locally having been involved with Great Western Park (Didcot), North East Carterton and part of Buckingham Park (Aylesbury).

James Lankfer heads the Bidwells Retail & Leisure department and David Williams MRICS, Partner and Head of the Commercial Business Space team in Oxford. David has been engaged by A2Dominion Developments Limited since 2014 consulting on the commercial provisions within NW Bicester.

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