

JOHN LEWIS BUILDING

Sheffield



**DRAFT Interim progress report
John Lewis Feasibility Study**

November 2021

Queensberry

Purpose of note

To update the client team on progress to date on the John Lewis feasibility report and to give DRAFT high level output of the work to date which will be completed following public consultation.

Background

Queensberry have been asked to review the options for the John Lewis building in Sheffield. John Lewis have vacated the building as part of their nationwide strategy to reduce their physical stores, therefore, creating an empty building in the centre of the city.

Fourth Street have been employed by the Council to review the Sheffield Centre user experience and their draft report is in the appendix to this report. Fourth Street have undertaken stakeholder engagement, consultation with independent experts, review of city centre plans and strategies and market research.

Fourth Street note that there are three broad options for the building for our study to review.

1. Reuse/repurpose
Keeping some or all of the existing building and renovating the building to receive a new, or multiple new, occupiers
2. Remove
Demolish the building and replace with a possible large public space
3. Replace
Demolish the building and replace with a different structure, this could be of a different scale or perform a different function.

Fourth Street's report recommends more clarity is gained over the cost and more analysis over the options is undertaken. In the absence of this review their high level advice is to replace the building with high class public realm and a building to bookend the public space and act as a counterbalance to the City Hall.

This report will set out the progress to date with our design options prior to the completion of our full feasibility study completes

We have taken onboard the Fourth Street naming convention and have looked at all three options.

Design Update and high-level cost

Concept design is ongoing with various options being reviewed through this process. All options fall into the sections below.

The cost ranges are noted at each option and are based on a concept plan at this stage. As the design becomes more fixed these costs will become more accurate.

REUSE

In this option, the existing structure is to be maintained with the design making use of cut outs through the building to allow for natural light to reach into the building.

Within the design options we have assumed new thermally efficient façades.

The surveys of the existing building suggest that the façade will not be up to a standard that will enable an energy efficient building to be created with the current façade remaining in situ. The mechanical, electrical and plumbing (MEP) systems that are in place are not fit for purpose and will therefore need to be removed and fire escape provision needs to be reviewed. The executive summary of the survey report has been appended to this report. The structural review of the carpark has also shown areas of concern in the existing structural condition.

Due to the state of the existing building, the REUSE option has been assumed to strip all MEP, fixtures and fittings and fit out back to a bare shell and then start from that structural frame to design a new envelope and fit out. There is asbestos within the building and this will have to be removed and disposed of during this phase.

Whilst this is a REUSE option, the existing car park would be demolished as the condition of the structure is not optimum and, as the slabs are ramped, does not lend its self to being adapted to another use.

Bench Mark Cost Range

This is the most expensive option of all, there are many reasons for this, however, it is mainly due to the fact this is the largest development plot and therefore the largest amount of cost to deliver new uses. There is also a large element of structural intervention needed to create the areas of natural light in to the building

'Re-Use'						
Ref	Item	Lower Quartile	GIFA	Upper Quartile	GIFA	Commentary
			£ / m ²		£ / m ²	
	Construction incl. contractor on-costs:	GIFA:	15,150	GIFA:	15,150	
1	'Abnormals'	£4,950,000.00	£326.73	£6,150,000.00	£405.94	Strip-out, demolition, asbestos, stats
2	Construction Works	£29,000,000.00	£1,914.19	£35,500,000.00	£2,343.23	Structural amends, atrium, new façade, fit-out
3	Public / Urban Realm	£1,350,000.00	£89.11	£1,500,000.00	£99.01	High-spec 'green' public realm; ~1,900m ²
A	Construction Total	£35,300,000.00	£2,330.03	£43,150,000.00	£2,848.18	
4	Employer On-Costs	£17,158,624.00	£1,132.58	£20,974,352.00	£1,384.45	Fees, inflation (4Q21 -> 1Q24), contingency
B	TOTAL SCHEME COST - PROJECTED	£52,458,624.00	£3,462.62	£64,124,352.00	£4,232.63	

REMOVE

This option clears the entire John Lewis building and creates the potential for a new urban park. Within the park there is an option to create a pavilion that could be utilised as a civic space, art gallery or as a public entertainment space.

This option creates an ambitious public space within the centre of the Heart of the City development and careful attention will have to be paid to the surrounding buildings that have not been designed to sit against a public space.

The park would extend the existing Barkers Pool area and could create an event space and would help to open up areas of the city centre.

The cost plan for the park has been based on the costing for other areas of public space being created today and allows for 70% soft landscape and trees and 30% hard landscaping.

This urban park could be designed to bring in an area of green into this part of the city and form a link from the peace gardens to the future park being installed as part of block G of Heart of the City.

One of the negative implications of creating the park in this location is the surrounding buildings and traffic infrastructure have not been designed to integrate with a park and therefore more work should be done to review these elevations and transport plans.

Bench Mark Cost Range

Not surprisingly this is the least expensive option of all, the major cost is in the demolition of the building and the preparation of the development plot to create the park.

The cost ranges allow for the infill of the basement and a split of 70% soft landscaping and 30% hard landscaping.

'Remove'						
Ref	Item	Lower Quartile	GEA	Upper Quartile	GEA	Commentary
			£ / m ²		£ / m ²	
	Construction incl. contractor on-costs:	GIFA:	4,650	GIFA:	4,650	
1	'Abnormals'	£5,850,000.00	£1,258.06	£7,200,000.00	£1,548.39	Strip-out, demolition, asbestos, stats
2	Construction Works	£600,000.00	£129.03	£725,000.00	£155.91	Pavilion, stores; ~325m ² , provisionally
3	Public / Urban Realm	£3,150,000.00	£677.42	£3,550,000.00	£763.44	High-spec 'green' public realm; ~4,650m ²
A	Construction Total	£9,600,000.00	£2,064.52	£11,475,000.00	£2,467.74	
4	Employer On-Costs	£3,243,977.14	£697.63	£3,877,566.43	£833.89	Fees, inflation (4Q21 -> 1Q24), contingency
B	TOTAL SCHEME COST - PROJECTED	£12,843,977.14	£2,762.15	£15,352,566.43	£3,301.63	

REPLACE

The replace option can be a myriad of buildings and uses, including sports leisure and a host of use options, we are working through options that create various uses and sizes from a redevelopment of 2 new buildings that could house civic uses or office space, areas of town houses and apartments and an option to create a stepped terraced building that could a counterpoint to City Hall and bookend a new park that sits between the new building and Barker's Pool.

All REPLACE options have the ability to create a new use on the space left by John Lewis with new energy efficient buildings that can be designed to be carbon neutral.

The replace option modelled in the Carbon analysis (green terrace) creates a mixed use building on the south end of the development plot with a civic use at ground floor and then 3 floors of office and 2 floors of residential. This building steps back as it rises to create terraces that overlook the new park that will be installed between the building plot and City Hall in line with the Fourth Street report and recommendations

Benchmark Cost Range

It is harder to give a benchmark range of cost for this option due to the many sub-options that are available.

The cost ranges below work with the assumption as noted above with a mixed use stepped building and area of public park inbetween the new building and City Hall.

'Replace'						
Ref	Item	Lower Quartile	GIFA £ / m ²	Upper Quartile	GIFA £ / m ²	Commentary
	Construction incl. contractor on-costs:	GIFA:	5,302	GIFA:	5,302	
1	'Abnormals'	£6,100,000.00	£1,150.51	£7,500,000.00	£1,414.56	Strip-out, demolition, asbestos, stats
2	Construction Works	£15,000,000.00	£2,829.12	£17,250,000.00	£3,253.49	Terraced new-build; green balconies/roof
3	Public / Urban Realm	£2,350,000.00	£443.23	£2,650,000.00	£499.81	High-spec 'green' public realm; ~3,300m ²
A	Construction Total	£23,450,000.00	£4,422.86	£27,400,000.00	£5,167.86	
4	Employer On-Costs	£11,398,576.00	£2,149.86	£13,318,592.00	£2,511.99	Fees, inflation (4Q21 -> 1Q24), contingency
B	TOTAL SCHEME COST - PROJECTED	£34,848,576.00	£6,572.72	£40,718,592.00	£7,679.86	

CARBON STUDY

ARUP have been commissioned to report on the embodied carbon of the existing building and its operational carbon footprint as well as taking into consideration a new build development and assess their relative merits.

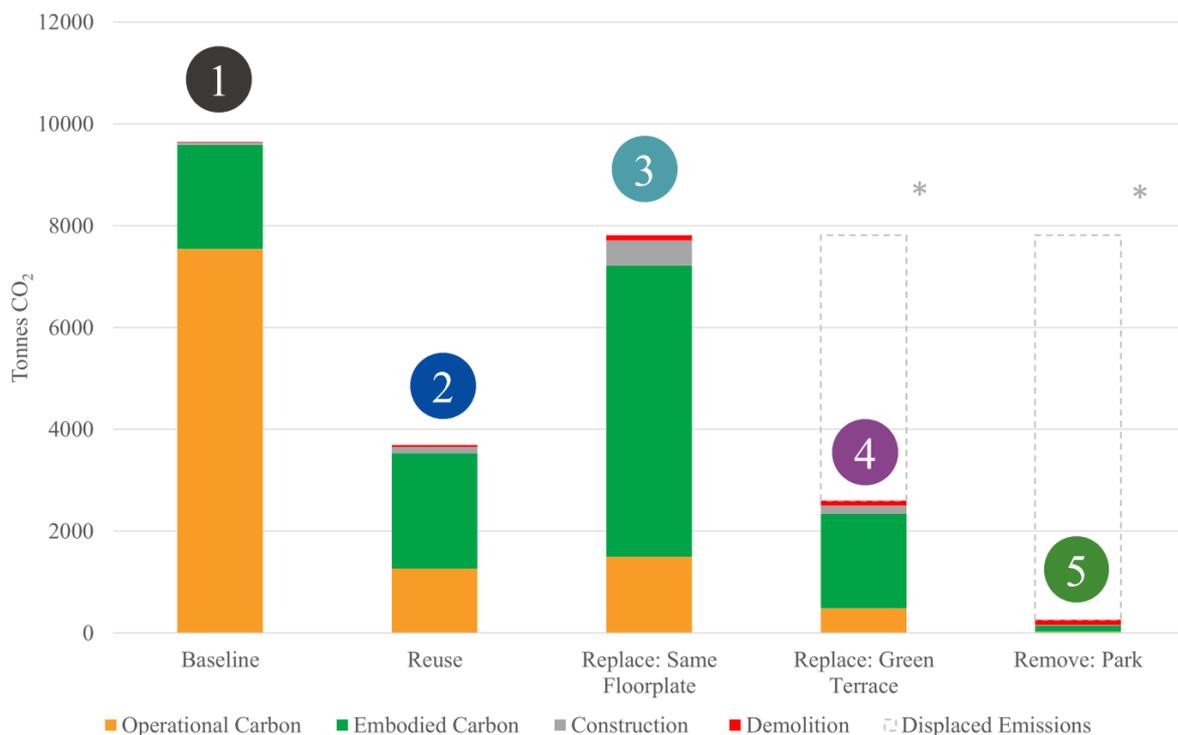
The executive summary has been appended to this report.

The graph below looks at options within the three solutions to the John Lewis block and it is clearly important that the remaining time in the feasibility study takes the below into consideration in the design options.

Interestingly the option of REPLACE utilising a building smaller than the existing building performs better than a REUSE option. There are many reasons for this mainly that the REUSE option still has to perform a large intervention to create a building that is fit for a future purpose.

Not surprisingly the REMOVE option and replacing with a new public green park performs the best in terms of carbon emissions.

ARUP will further review design options as they develop following public consultation and help the design parameters of the new build options to optimise the design to reduce their carbon footprint.



SWOT Analysis

The below is a review of the three options as set out above.

REUSE

Strengths <ul style="list-style-type: none">• Building already in situ therefore, the City is already familiar with this space.• Keeping the building allows for a large area of real estate to be developed.• Unlikely to have an adverse public reaction to refurbishing the building• An element of the Embodied Carbon stays within the development block	Weakness <ul style="list-style-type: none">• Building has significant asbestos• Fire escapes are not sufficient for the size of the building• All MEP systems need to be replaced• Structural condition of the car park is poor• Carpark is designed as ramped slabs and therefore not able to be easily changed into other uses• Façade not energy efficient• Very large building with lack of natural light• No like for like replacement for John Lewis and therefore the building is likely to be split into multiple uses
Opportunities <ul style="list-style-type: none">• Current nationwide planning environment allows for a change of use and therefore could allow an easy planning change to residential or office use, or other uses to meet demand.	Threats <ul style="list-style-type: none">• Significant risk on the existing building condition and therefore cost and viability could be threatened• Very large building and therefore if this stays as retail, could weaken overall demand from the rest of the city.

REMOVE

<p>Strengths</p> <ul style="list-style-type: none">• Creates a large area of public space within the City Centre• Pavilion could provide a new space for cultural uses• Large park could provide for a carbon positive boost to the City Centre• Creates biodiversity in the City Centre• Lowest capital investment option	<p>Weakness</p> <ul style="list-style-type: none">• By removing a large area of built environment the future value (if rents and yields increase) is not realized• The surrounding buildings and transport infrastructure have not been designed to front a City Centre open space
<p>Opportunities</p> <ul style="list-style-type: none">• Could create a large public involvement into the design and therefore a co-design, co-production of the space with the people of Sheffield.• If designed well, could be a real oasis in the City Centre and a benchmark for similar sized urban centers to follow• The pavilion could enable new cultural uses to come to the City• New park could increase the value of the rents and values of the rest of Heart of the City	<p>Threats</p> <ul style="list-style-type: none">• Could be an area of antisocial behavior if managed poorly• There could be public objection to the removal of the building

REPLACE

<p>Strengths</p> <ul style="list-style-type: none">• New buildings can be designed specifically for the future use• This option can create new landscaping within new building plots• New buildings and uses can be designed to work with the Heart of the City development• Buildings can be designed to be carbon neutral and therefore protect the future carbon use of the City•	<p>Weakness</p> <ul style="list-style-type: none">• Large capital cost (depending on amount of development)• Increases the embodied carbon within the development plot• Longer development period than the other options• Logistical difficulties building in this location during the delivery of HoTC
<p>Opportunities</p> <ul style="list-style-type: none">• Could create a new residential quarter in the city centre• Values could increase due to the increase in green space in the city centre around the new buildings• New carbon neutral buildings are valued at a premium, this could therefore increase the value once built	<p>Threats</p> <ul style="list-style-type: none">• Could be public objection to the removal of the building• Construction cost inflation due to material price increase and labour shortage• Future value may decrease due to macro-economic conditions• Existing building may cost significant amount of money to remove if more hazardous materials are found•

NEXT STEPS

This report is a draft update report that shows progress to date.

The next steps in our feasibility study are to carry out more work on the following key areas

- Develop each design option in conjunction with proposals received and public consultation.
- Review the risks and opportunities for each design option working through the SWOT analysis
- Refine the construction cost for each option
- Review specifically the cost applied for retaining the existing building structure as this is a large cost for the works to be undertaken
- Review funding and finance options
- Refine value and inflation levels.
- Further test market demand for the various use types
- Refine the Embodied Carbon analysis with regards to the specific build options being appraised and carry out a climate impact assessment.

APPENDIX

Appendix A – Building Carbon Assessment Executive Summary DRAFT

Appendix B – ARUP condition assessment report Executive Summary DRAFT