

14 June 2024

Leeds, Meanwood, Northside Retail Park

Update and the role of the Development Manager

My 2024 News items will be dominated by Leeds, Northside Retail Park - January through to November. What they will not show was the preparatory work before the start on site in January 2024.

The Agreement for Lease with Aldi exchanged in January 2022 after a long period of negotiation that started in 2020. The planning application was made in February and approval was given in July 2022. In March 2022, I became involved in pre-letting the 2,220 sq ft unit that was to be created in part of the former Fultons unit, following Aldi extending into part of that unit. Heads of Terms were agreed with Starbucks in September 2022 after a rental tender.



The client was expecting that Aldi would open for Christmas trading 2023. By May 2023 it was clear that this was not going to happen and the client appointed Sovereign Centros as Development Manager in June. From July to December 2023 they effectively became the client for the team, some of whom were new to the job and appointed by Sovereign Centros, for example Ridge Building Consultants as Project Manager. The term Project Manager is not to be confused with Development Manager.

As the "client", Sovereign Centros reviewed the work to date, including all the contracts and tenders, and in particular worked with Aldi's in-house and external teams to resolve a series of outstanding issues within the Agreement for Lease, and give Aldi confidence that the extension would happen during 2024. In particular Aldi needed to reopen on 31 October 2024 after a closure period of about 12 weeks or so. By then the store was to have been completely re-fitted in to the new trading format.

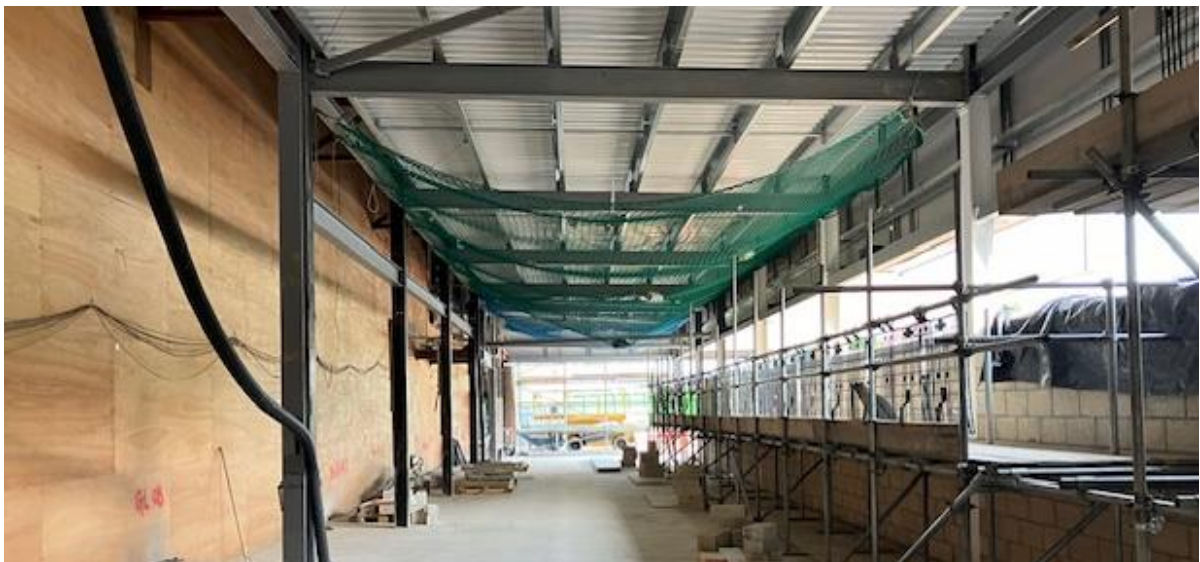
Planning permissions were dusted down and plans were poured over and Non Material Amendment applications submitted where needed, or details submitted to the local planning authority to clarify the planning Conditions.

When works started (with a new contractor) in January 2024, everything had been agreed and documented. Relationships had been repaired and new ones created over an intense 6 months' period. These relationships helped as inevitable changes occurred on site during the build period, primarily the 30 year old failed car park foundations.



Importantly the Development Manager gave confidence to the client by regular meetings, reports, updates and careful cost control, so that informed decisions were made. One of those decisions was to create Unit 3C for Starbucks in accordance with the September 2022 Heads of Terms. The detailed specification on Unit 2C was finalised long after the works to the unit had started.

A renegotiation by Starbucks based on the need for a new board approval (15 months after the original one was obtained) was dealt with quickly, and the Agreement for Lease exchanged on 31 May 2024 (21 months after solicitors were instructed and 24 months after Starbucks original offer was made) in anticipation of taking access within 11 weeks. By that time, most of the works had been done, again with confidence shared by the Development Manager and Starbucks that the letting would be completed.



In my opinion this has been a good example of a Development Manager being appointed to oversee a complicated piece of work. Their role will not be coming to an end until all the leases are completed and more importantly all the contracts, warranties and fees have been settled and a full report submitted to the client. This should be completed before Christmas. That is two Christmas' after Aldi were expecting to open.

The contacts at Sovereign Centros are John Marsh and Paul Miller.

<https://www.sovereigncentros.co.uk/>





The architects are Harris Partnership. They also advised the developer of the retail park in the mid-1990s.