Competitive Position

Winchester

Q4 2019

Introduction

Following a successful tender process JLL, in partnership with Arup, were appointed as the Strategic Placemaking Consultant for Winchester City Council (WCC) in May 2019.

The project is being led by Katie Kopec, International Director based in JLL's Head Office in London. The project is being supported by JLL's regional offices in Southampton and Bristol, with Arup's Winchester office providing technical and masterplanning expertise.

WCC have a number of key regeneration projects across the city that are in varying stages of fruition. The key projects are as follows:

- **Station Approach** – a 140,000 sq. ft office development currently in planning;
- **Central Winchester Regeneration** – a mixed use development opportunity in the city centre. The subject of an adopted SPD;

In addition to these projects, WCC own or control numerous potential development sites across the city.

JLL have been instructed to provide site-specific development advice and overarching strategic advice to WCC to inform key real estate decisions across the city, with a strong sustainability focus. This document details our initial research and market findings that will inform our baseline assumptions for the city and help to inform our objectives throughout the consultancy.

Central Winchester Regeneration, Indicative CGI

Station Approach, Indicative CGI

Overall Approach

Sustainability

CITY WIDE

1. Sustainability — Energy | Biodiversity | Transport

2. Competitive Position — Demographics | Occupiers | Competitiveness | Education | Culture | City Gaps | Specialisms | Districts | Tourism | Market Condition

3. Market Advice — Viability | Delivery | Marketing

SITE SPECIFIC

Initial Priority Sites — Station Approach | Central Winchester

Sustainability

Approach

- This report analyses items 2 and 3 in our overall approach; Winchester's 'competitive position' and 'market advice'.
- The aim of the report is to identify areas of strength, weakness and opportunity for the City. Our findings will help inform future placemaking opportunities and our underlying assumptions in regard to market appetite.
- The report is intended to provide a baseline position and understanding between JLL, WCC and any associated parties. However, the conclusions of this report should not be regarded as finite. There are a number of emerging trends, market demands and project challenges that must be considered when placemaking.
- We will consider these trends in greater detail on a site-by-site basis, to ensure that the appropriate development potential is achieved for each of the site-specific projects.
- Demographic data has been assessed using a 5km and 10km radius from the City centre.

City-Wide Analysis

- In tandem with the creation of this document we have undertaken engagement with a number of key stakeholders, community groups and organisations. We have also reviewed documents and data provided by WCC. We have used relevant information from this work to inform our conclusions herein.

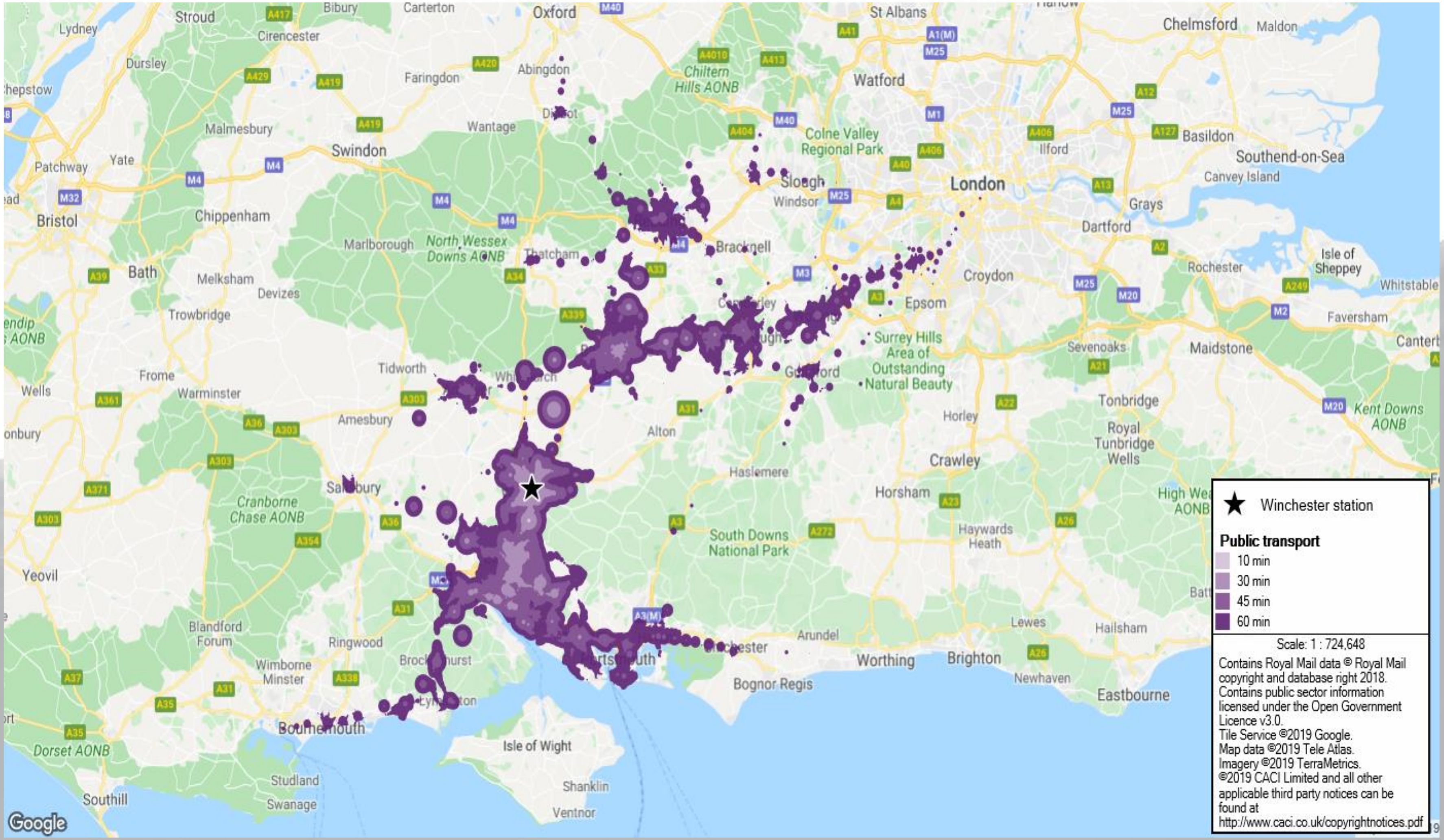
We have approached these conclusions in the following way:

- The 'real estate reactions' are not intended to provide a definitive answer, solution or remedy to the associated 'gap'. They are intended to provide a view on whether the 'gap' is a strength, weakness, opportunity or threat. We have identified these suggestions to provoke further discussion and investigation.

- The desired outcome for each gap needs to be driven by decision makers at WCC. Choosing the most desirable reaction will ultimately depend on **site specific** characteristics to deliver a balance of **strategic**, **financial** and **market** objectives. Equally, the weighting and significance of each 'gap' must be fully considered in any decision making process.

Demographics

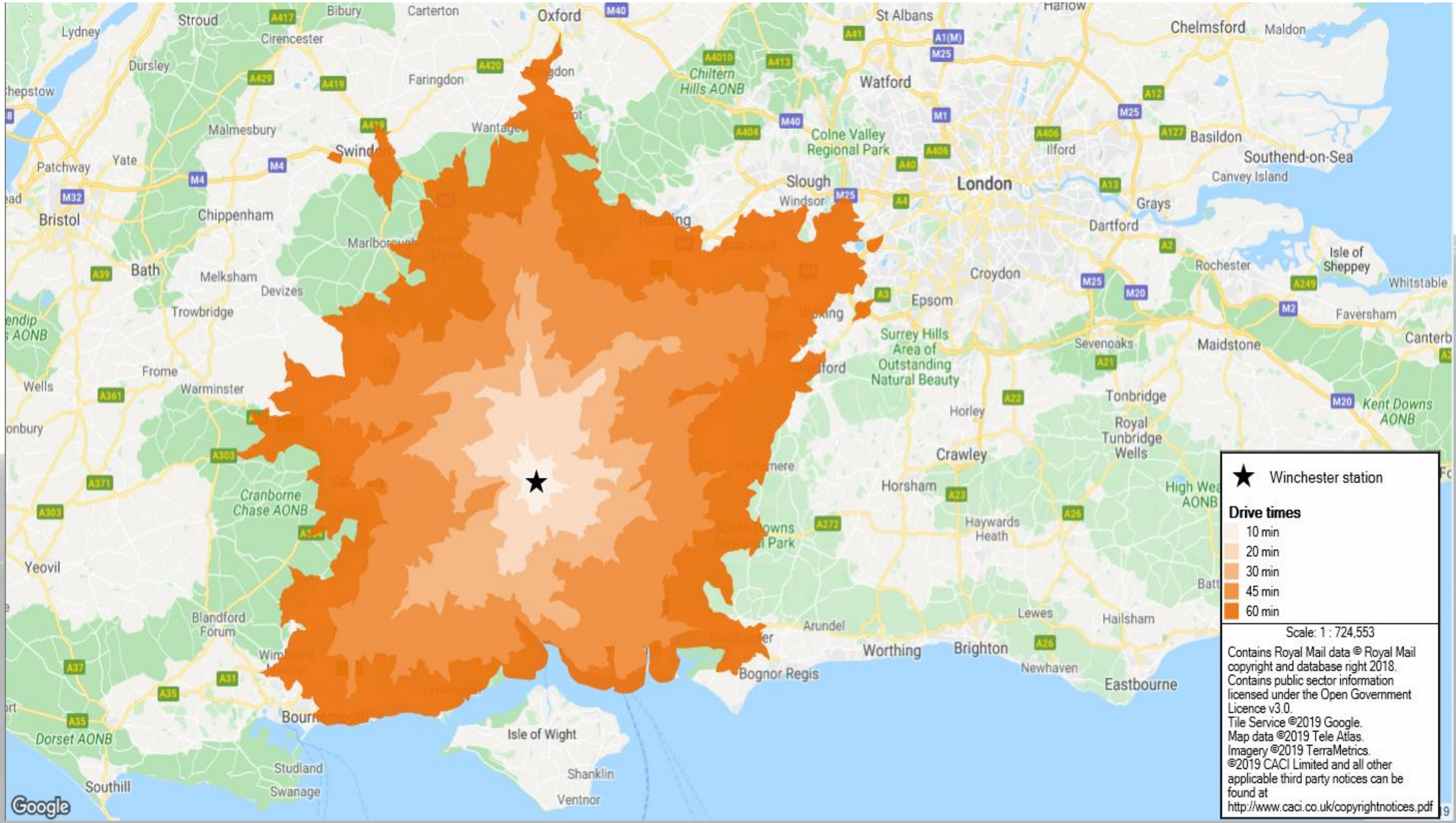
In Detail: Public Transport



London Waterloo: 58 minutes

Southampton: 14m
Portsmouth: 30m
Lymington: 30m
Poole: 47m

In Detail: Drive Time



Heathrow: 50 miles
Southampton: 12 miles
Bournemouth: 38 miles

M3: <5mins
A34: <5mins
M27: 12 mins

1H

Southampton, Portsmouth, Bournemouth, Salisbury, Reading, Oxford, Guildford, Chichester, Slough

1. Transport Links

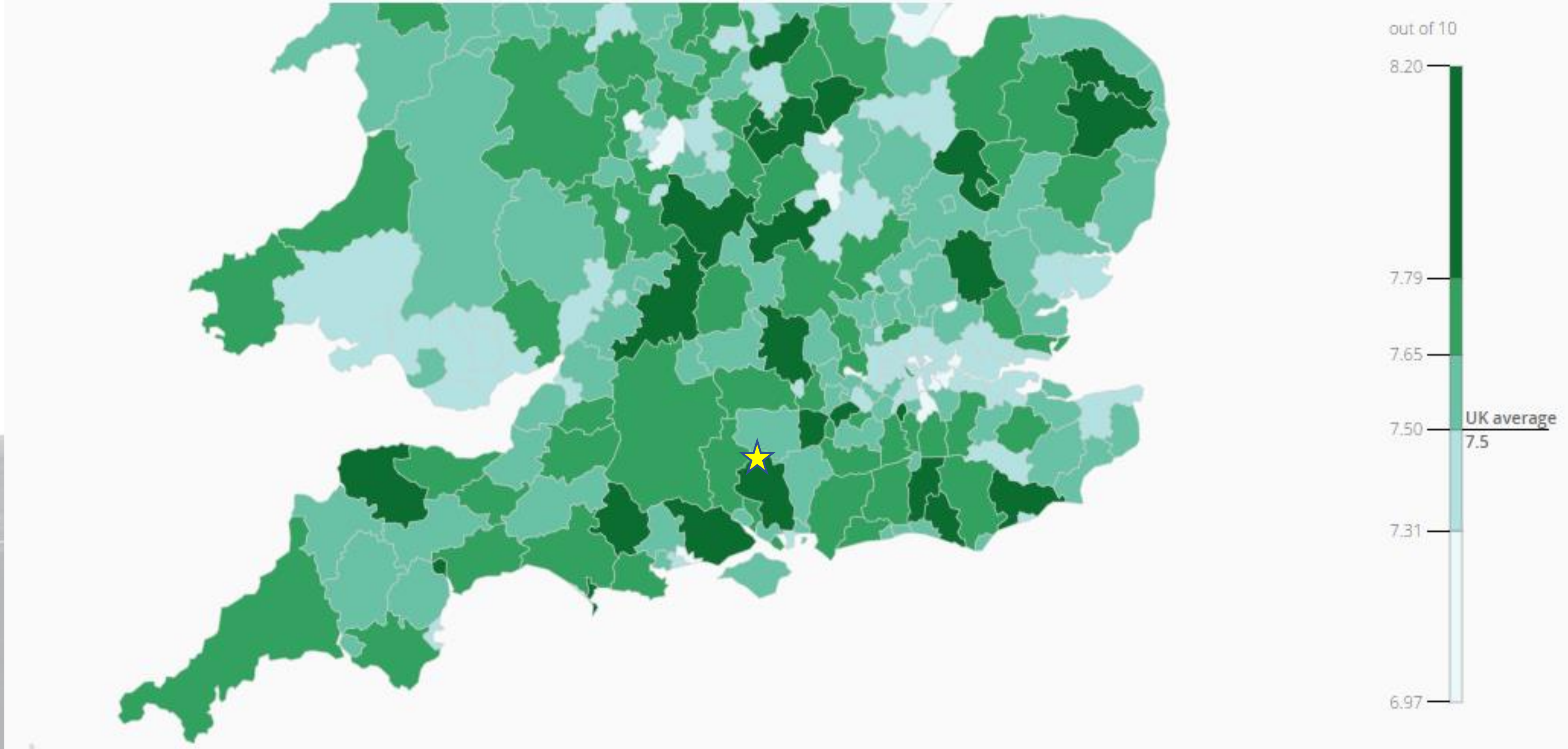
City Gap → Real Estate Reaction

Winchester is within 1 hour of London and the South's major conurbations by car and public transport.

Opportunity
Create a sustainable movement strategy across the City and the district. Reduce urban vehicular use and encourage sustainable travel options. Reduce parking provision on developments in sustainable locations.

Weakness
Reliance upon the private car by both families and retirees.

Life Satisfaction



Source: © Annual Population Survey – Office of National Statistics, April 2012 to March 2015

7.9/10
Life Satisfaction

Higher than the UK Average

2. Life Satisfaction

City Gap

Real Estate Reaction

Winchester is a sought-after place to live; scoring highly for 'life satisfaction'.

Strength

This is reflected in Winchester's underlying sales and rental values. It is viewed as a sought after location in most of the major property sectors.

Approach to assessing demographics

- We have analysed the following data sets based on a 5 km and/or 10 km radius from Winchester Train Station:

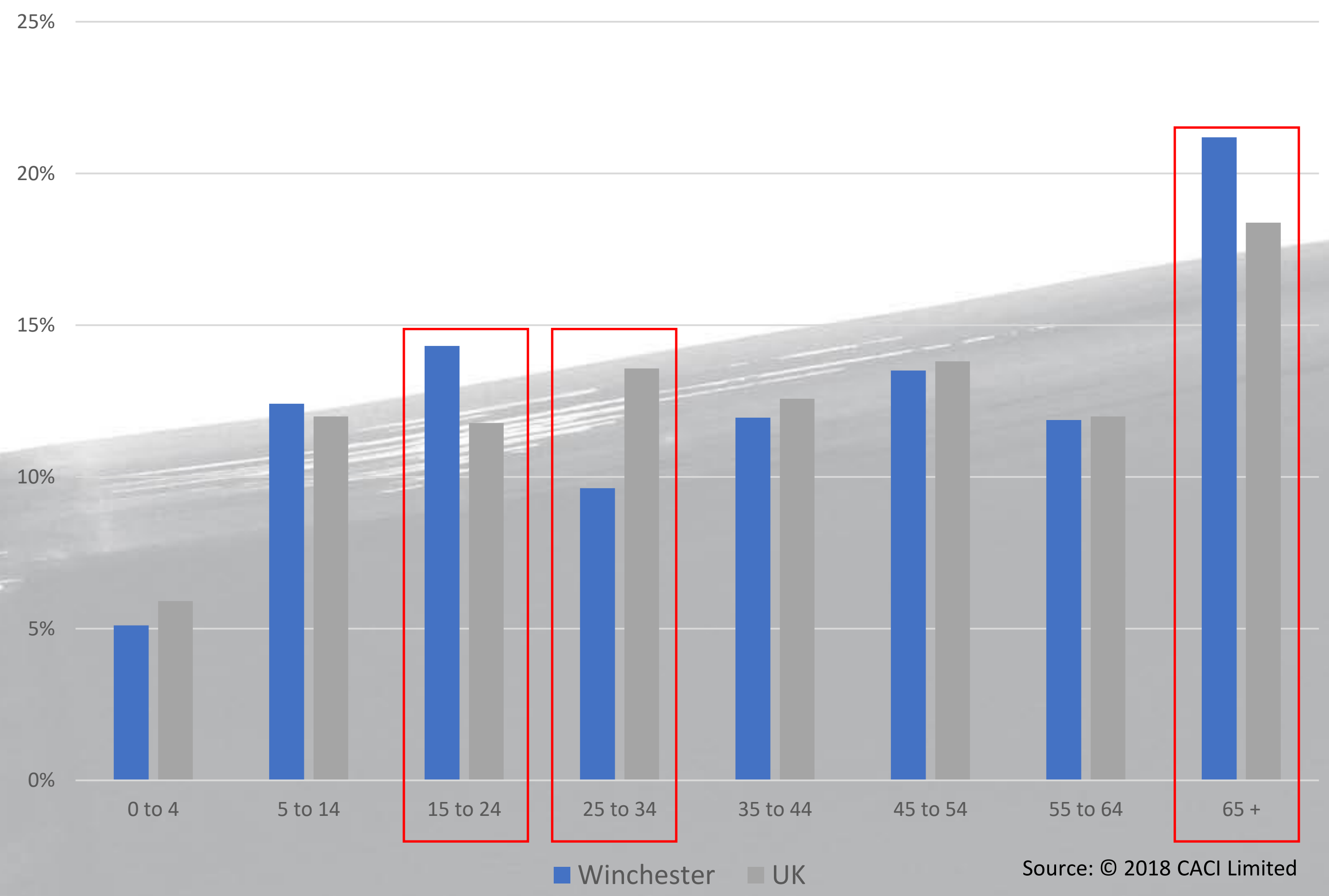
    - Age Structure;
    - Population projection;
    - ACORN profile; and
    - Income profile.

- This approach has been used as it reflects how the real estate development and investment market would assess a site/location.

- It should be noted that when looking at the 10km radius elements fall outside of the Winchester District boundary.

Age Structure and Population Projection – 10km radius

JLL

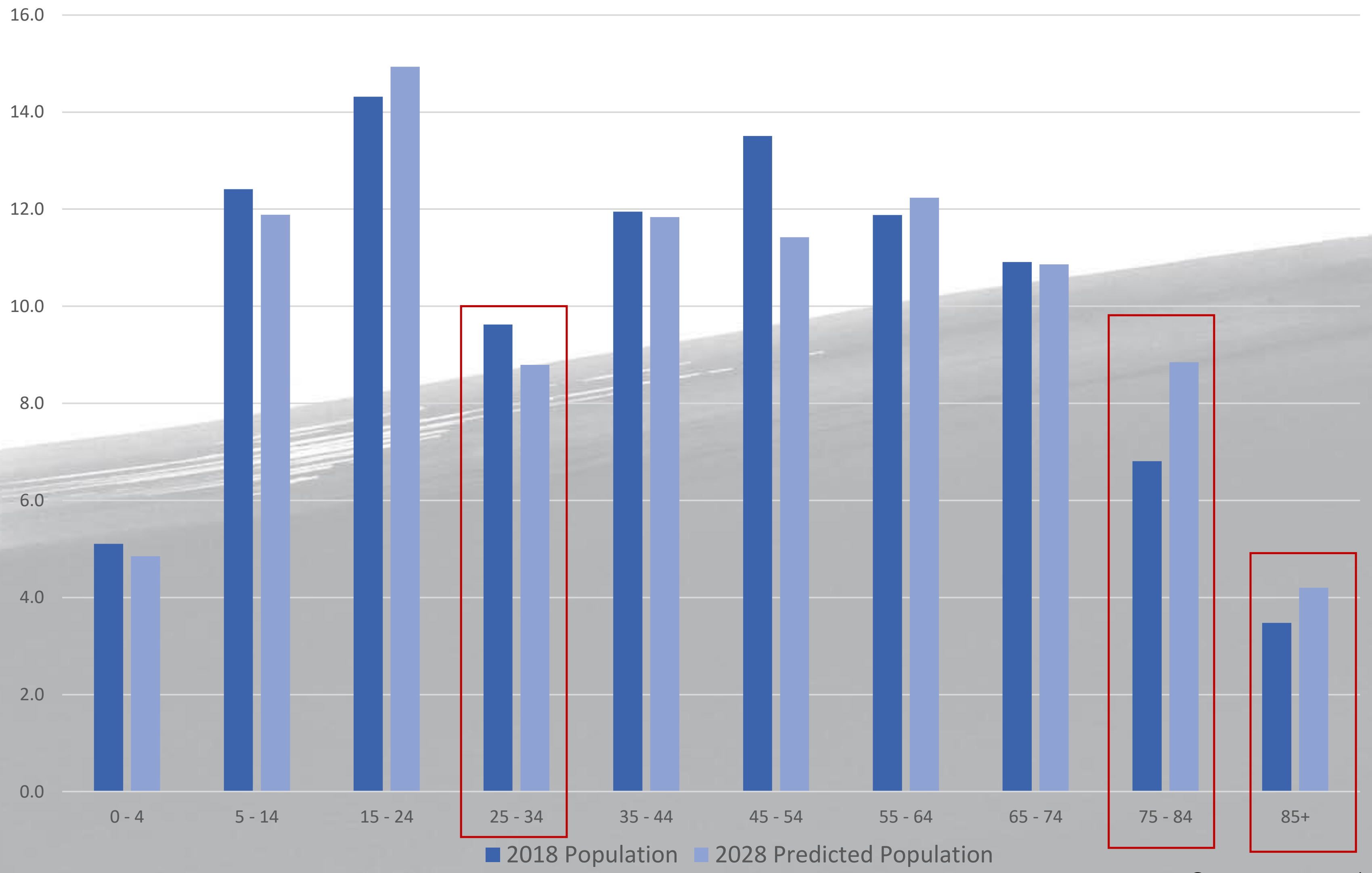


Source: © 2018 CACI Limited

- At present, over 20% of Winchester's population are 65+, this is above the UK average of 18%.
- 14% of Winchester's population are between the age of 15-24, this is above the UK average of 12%.
- c.10% of Winchester's population are between the age of 25-34, this is below the UK average of 14%.
- The population of Winchester is projected to increase from 95,025 in 2018 to 101,279 in 2028.
- The rate of population growth in Winchester is projected to be greater than the rate of growth in the UK.

Resident Population Projections	Data for area	Data for UK
Population 2018	95,025	64,587,260
Population 2023 Projected Growth 2018 to 2023	98,230 3.4%	66,368,971 2.8%
Population 2028 Projected Growth 2018 to 2023	101,279 6.6%	67,867,549 5.1%

Population Projections – Winchester – 10km radius



Source: © 2018 CACI Limited

Key messages:

Of the anticipated population growth in Winchester up to 2028, there are two key themes:

- Continued under-representation of 25-34 year olds.
- Continued growth of Winchester's aging population.

3. Demographics

City Gap

Real Estate Reaction

Winchester has an increasing elderly population. There is strong developer appetite for retirement development opportunities.

Opportunity
Provision of care and retirement properties. Excellent potential returns for good-quality retirement accommodation.

Threat
Disproportionate and market driven focus on retirement/downsizer development, thereby neglecting the needs of other age groups and demographics.

4. Demographics

City Gap → Real Estate Reaction

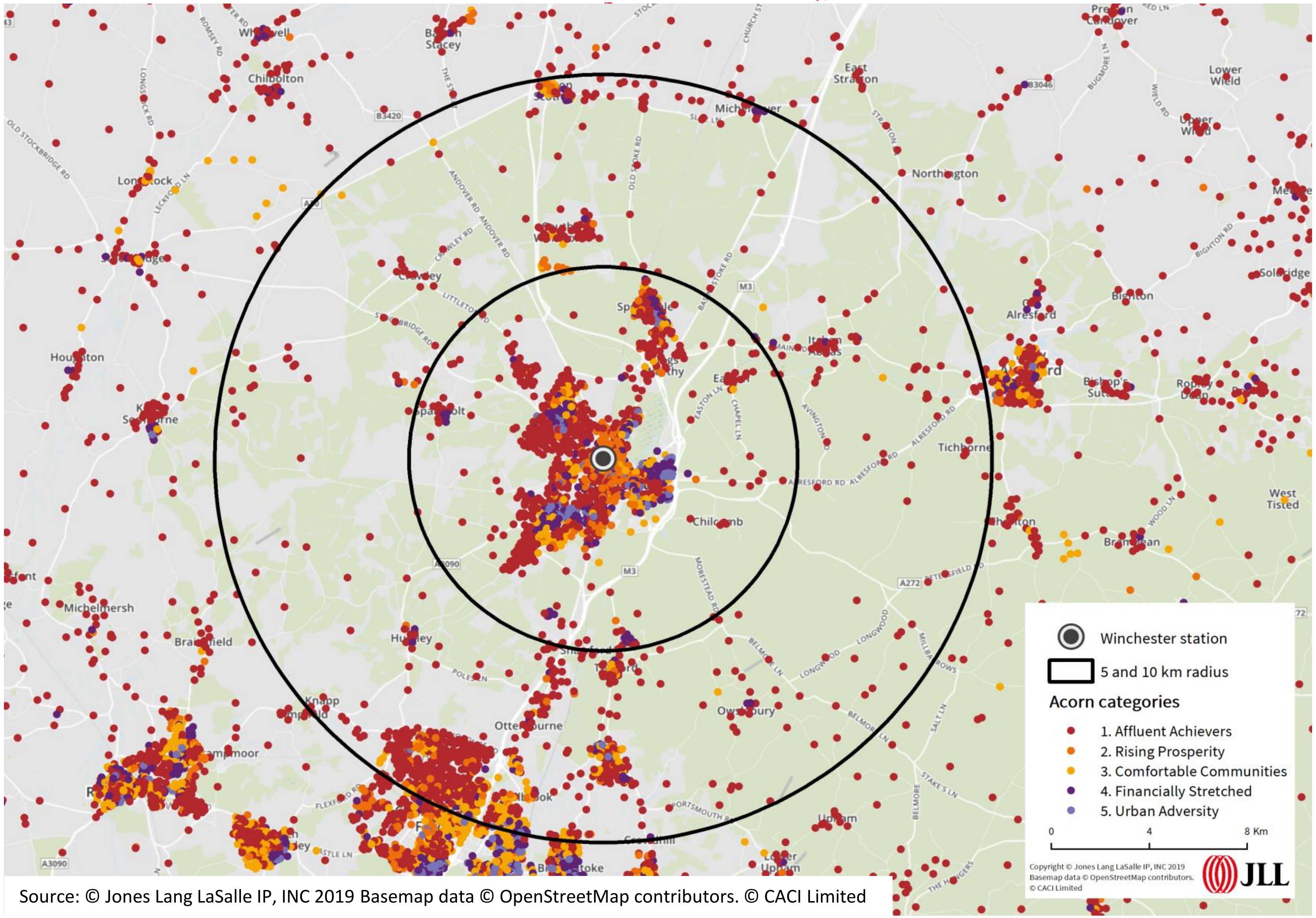
Winchester has a lower than average population of 25-34 year olds.

Weakness
Winchester is viewed as 'unaffordable' with limited opportunities for young people.

Opportunity
Gap in supply for more diverse development and land use trends. E.g. Build to Rent, Affordable Housing, Student, Food Courts, Nightlife and family leisure opportunities.

Threat
Limited development for this demographic. Threats to retail, employment, graduate-retention and associated economic growth.

ACORN Profile – 5 & 10km radius



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- **Affluent Achievers**

These represent the most financially successful people in the UK. They live in wealthy, high status rural, semi-rural and suburban areas of the country.

- **Rising Prosperity**

Generally younger, well educated, mostly prosperous people living in major towns and cities.

- **Comfortable Communities**

Much of 'middle-of-the-road' Britain. All life stages are represented in this category. Generally, people own their homes.

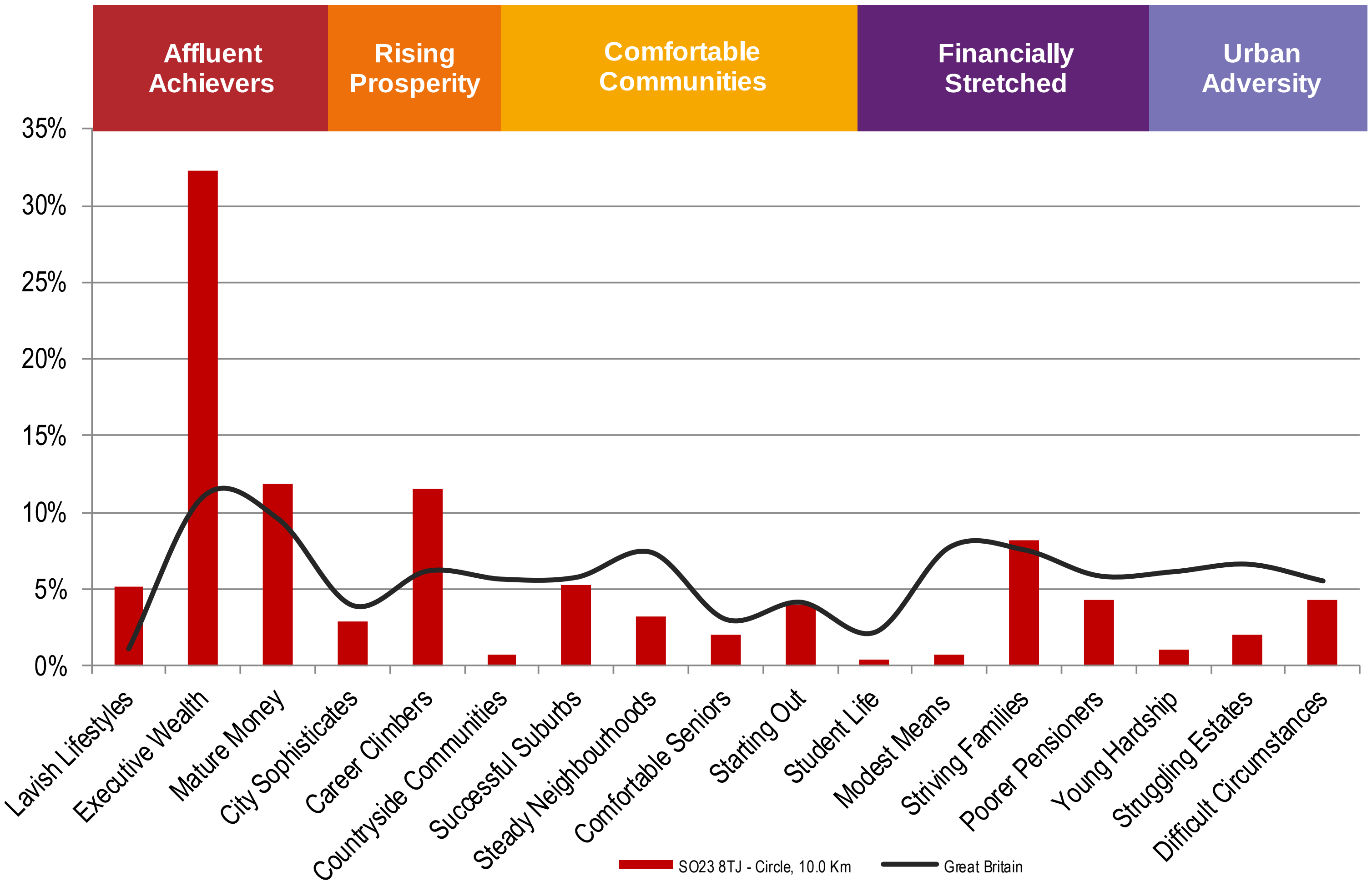
- **Financially Stretched**

A mix of traditional areas of Britain. Housing is often terraced or semi-detached including council or housing association accommodation.

- **Urban Adversity**

The most deprived area of large and small towns and cities across the country. Household incomes are low.

ACORN Profile – 10km radius



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50%
Winchester Affluent Achievers

UK Average: Affluent Achievers
22%

Dominant Executive Wealth

"These are wealthy families living in larger detached or semi-detached properties either in the suburbs, the edge of towns or in semi-rural locations. Whilst these are generally family areas there are also some empty nesters and better off retired couples. Many families own their home but a good number may still be repaying a mortgage. Incomes are good since many have managerial and professional occupations with perhaps one in five being company directors. These are high income people, successfully combining jobs and families"

Above Average Striving Families

"These low income families typically live on traditional low-rise estates. While many rent their homes , an equal number have bought their homes. Incomes are likely to be well below the national average. Shopping tends to focus on cheaper stores and leisure activities. These families are struggling to get on limited incomes in urban areas"

5. Demographics

City Gap → Real Estate Reaction

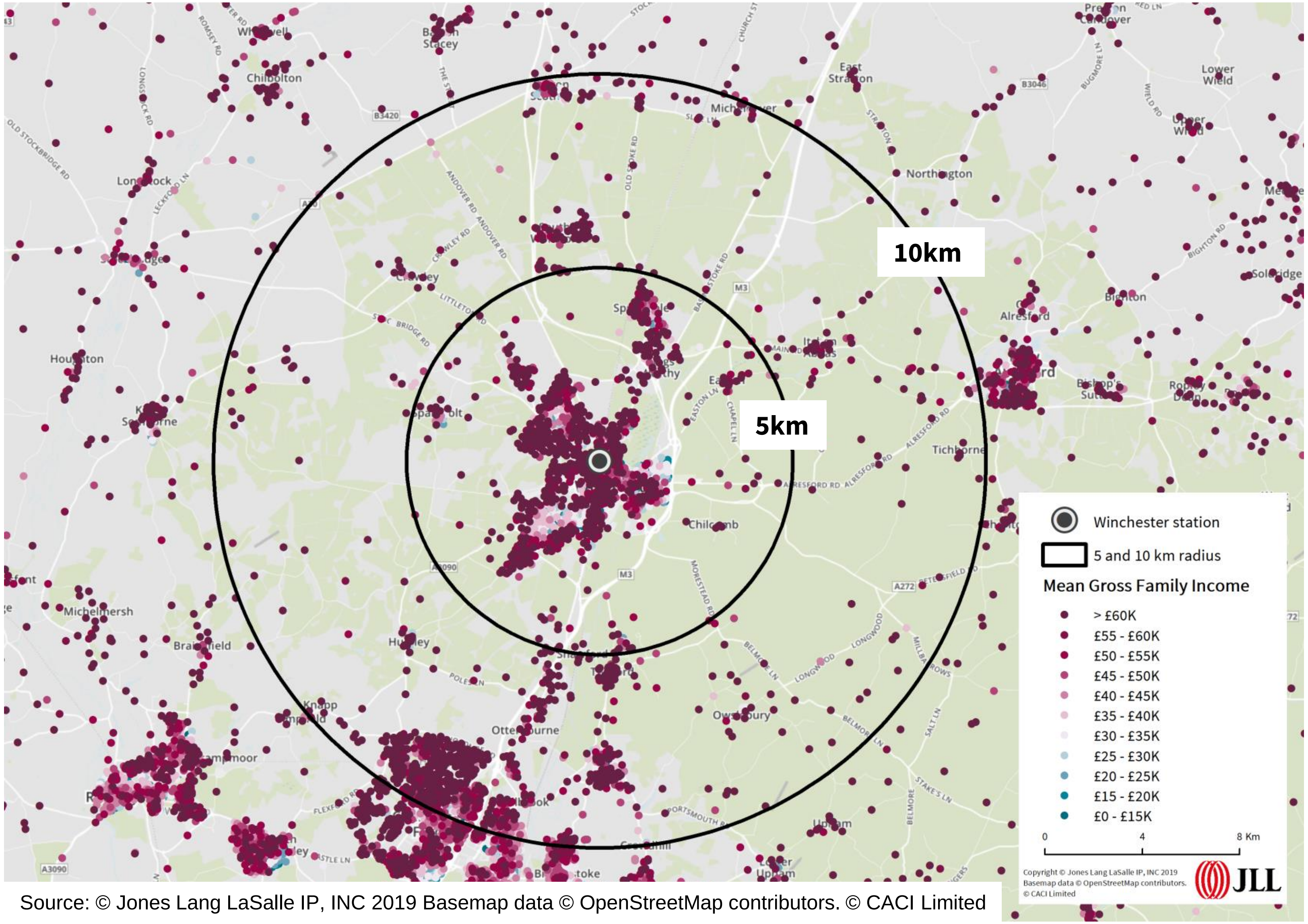
Winchester has a high proportion of 'affluent achievers' and 'rising prosperity' and annual earnings are significantly above the national average.

Strength
An affluent underlying demographic provides for a robust real estate market, as demonstrated by Winchester's strength across numerous sectors.

Threat
Disproportionate and market driven focus on development for this demographic, with less emphasis on the needs of other demographic profiles across the city.

Opportunity
This underlying affluence should help drive strong residential values which can enhance the viability of mixed-use schemes.

Income Profile – 10km Radius



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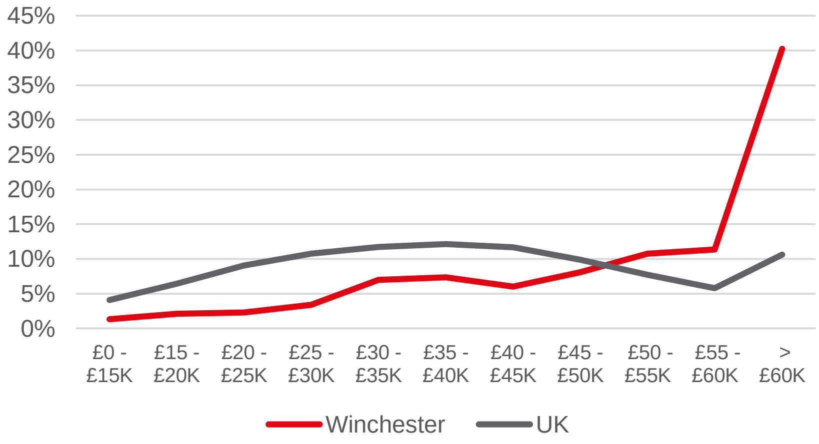
UK Average 11%

40% earn £60k+

UK Average 11%

3% earn £25-30k+



6. Demographics

City Gap → Real Estate Reaction

Winchester has several low-income areas of urban adversity where citizens are financially stretched.

Threat
Development for this demographic may not necessarily provide the most viable land use nor the highest land receipt.

Opportunity
To facilitate development that benefits the low income demographic e.g. increased provision of affordable housing.

University of Winchester

- The University of Winchester was founded in 1840 and is located 10-minutes walk from the city centre.
- Winchester University's Faculty areas of specialism include; Humanities and Social Sciences, Education, Health and Social Care.
- Within these faculty areas the University offers numerous subject specific courses which are consistently rated highly in internal and national surveys of student satisfaction.
- The University has embarked on a dramatic expansion of its portfolio of degrees, adding 50 new programmes in two years – an increase of more than a third.

Top 20 for Teaching in the UK

7,794 Students in 2017/18

86% Full Time Study 2017/18

£48m Campus Development (2018)

Source: https://www.winchester.ac.uk/about-us/our-future/the-university-in-numbers/

Facts:

- 94% of students are from the UK, 1% from the EU and 5% non-EU.
- 92.1% of admissions are from state schools (non-grammar).
- 69.6% are middle class and 30.4% working class.

UNIVERSITY OF WINCHESTER

Winchester University – Graduate Retention

- The Southern Policy Centre released a report in February 2019 titled “Home, Here or London? Retaining graduates from the central South’s Universities”.
- The University of Winchester (UoW) is one of the ‘core’ Higher Education Institutes (HEI’s) reviewed in the report.
- Winchester is significantly more successful at retaining students (20.2%) after graduation in comparison to other higher education institutions in the south east (14.4%).
- Significantly, Winchester only loses 12.7% of its graduates to London in comparison to 23.1% of students moving to London after graduating from other higher education institutions in the south east.
- However this data may be skewed somewhat by the relatively low sample size of UoW compared to other Central South Universities (Southampton: 4,320 students, Portsmouth 5,180 students and Bournemouth 3,315) and also the relatively high proportion of students leaving Portsmouth (24.8%) and Southampton Universities (27.1%) for London. The type of courses offered at each University may also impact on retention.
- In a regional context, the Central South performs poorly for graduate retention against other comparable regions (e.g. West of England).

Source: “Home, here or London? Retaining graduates from the central South’s universities” – Southern Policy Centre

Other Educational Facilities

Winchester School of Art

- Part of the University of Southampton, a Russell Group University.
- One of the world's leading art and design institutions.
- The School has an established history of almost 150 years.
- More than 1,500 students.
- The School is linked to the University of Southampton's Highfield campus via regular transport services.
- The campus is positioned on the edge of Winchester, a short walk from the high street.

Sparsholt College University Centre

- Created by the University of Southampton and Sparsholt College.
- Sparsholt College has been offering Higher Education since the late 1970s.
- A leading institution for land based education.
- There are more than 1,900 full time students and 3,000 part time students.
- Sparsholt's private direct coaches can take students from the University Centre to a variety of locations.
- The college is located in Sparsholt roughly 3.5 mile from central Winchester.

7. Education

City Gap → **Real Estate Reaction**

Winchester has a strong educational offering from a number of reputable educational institutes.

Strength
Provides an organic provision of students and footfall to the city.

Opportunity
Capturing university expansion and graduate retention with exciting real estate opportunities.

Culture

5.6m

Visitors per Year (Winchester)

Heritage:

- Winchester Cathedral
- The Great Hall (Winchester Castle)
- Wolvesey Castle (Old Bishop's Palace)
- St Lawrence in the Square
- Winchester City Mill
- Winchester College
- Royal Armouries Fort
- Winchester's Military Quarter

Entertainment:

- Theatre Royal Winchester
- Railway Inn
- Discover Centre
- The Minster Gallery
- The Guildhall
- Chesil Theatre
- Winchester City Mill & Shop

Museums & Galleries:

- Winchester Science Centre and Planetarium*
- Jane Austen' House Museum
- Westgate Museum
- Winchester City Museum

WINCHESTER SCIENCE CENTRE AND PLANETARIUM

JANE AUSTEN'S HOUSE MUSEUM

HAMPSHIRE CULTURAL TRUST

Source: https://www.visitwinchester.co.uk/app/uploads/2018/06/Vist-Winchester-DMP-May18_print.pdf

Tourism

SOUTH DOWNS NATIONAL PARK

NEW FOREST NATIONAL PARK

NORTH WESSEX DOWNS

ISLE OF WIGHT AONB AND THE SOLENT

18.8m
Visitors per Year

Source: Data © OpenStreetMap contributors. Design © MapBox & JLL

Key Destinations

- Marwell Wildlife
- Mottisfont Abbey Garden, House and Estate
- Winchester Cathedral: 300,000 visitors annually, including pilgrims, tourists, families and school groups from across the country and overseas.
- Hinton Ampner Garden
- Winchester City Mill & Shop
- The Adjutant General's Corps Museum
- Royal Hampshire Regiment Museum
- Royal Green Jackets Museum
- Winchester Science Centre & Planetarium: since opening in 2008, over 1 million people have visited the planetarium.

8. Culture, Heritage and Tourism

City Gap → Real Estate Reaction

Winchester has a strong provision of cultural, heritage and natural attractions.

→

Strength
Proven tourist destination which will support the developer and investor market for relevant sectors.

Opportunity
To maximise economic benefit gained from tourism (e.g. hotel). Potential to consolidate some facilities into more modern and fit-for-purpose accommodation.

Achieve Ambitions

Winchester City Council

Market Demand

Residential – City Wide Introduction

- Winchester has a very strong residential property market.
- It is a heritage rich city and is amongst the most sought-after areas in the South. It commands a significant premium above other southern cities.
- £ per sq. ft. values are generally highest in the city centre but capital values are highest in more peripheral locations for family and executive style housing.
- The most popular areas for families are Hyde and Fulflood, which are characterised by terraced Victorian properties. Less popular areas are Stanmore, Badger Farm and Weeke.
- Development in the City centre predominantly comprises high quality new build units and larger 'estate' style housing is restricted to peripheral locations.
- There are numerous affluent peripheral locations and villages, within a 30 minute drive of Winchester, including, but not limited to:
    - Twyford;
    - Shawford;
    - Alresford;
    - Stockbridge;
    - Bishops Waltham;
    - West and East Meon; and
    - South Downs National Park.

Winchester was named in the UK's top 3 least affordable cities by Lloyds Bank

Winchester house prices are on average 36% greater than the rest of Hampshire

Source: Land Registry House Price Index 2019

Winchester has seen the greatest house price rise (93%) in the UK since 2008, according to Lloyds

9. Residential - Private

City Gap

Real Estate Reaction

Winchester has one of the strongest (highest value) residential property markets outside of London.

Strength
The strength of the residential market may help to support less viable land uses. Developer and end user demand is very strong.

Threat
Disproportionate and market driven focus on housebuilding development, making it difficult for other uses to compete. Unaffordable house prices for younger demographic.

Opportunity
To diversify the residential offering across the City and throughout the District.

Residential – Affordable Housing

JLL

- Winchester is a highly sought-after area and affordability is a key issue across the residential property market.
- To date the majority of affordable housing provided comprises 2, 3 and 4 bedroom houses suited to families or second steppers.
- There is a lack of affordable 1 and 2 bedroom flats in Winchester which excludes first time buyers and young professionals.
- There is a need for new 1 and 2 bedroom flats in central and peripheral locations of Winchester.
- The Council has a proven housebuilding capacity and there is strong market interest from traditional and emerging Affordable Housing providers.

Example Affordable Housing Providers:

VIVID

Winchester City Council

pocket living

Legal & General

BOKLOK SKANSKA & IKEA

RADIAN where people flourish

Residential – Student Accommodation

- The three higher education institutes in Winchester provide a total of 2,425 bed spaces for 8,313 full time students. Therefore, only 29.3% of students reside within University accommodation.
- Where students are unable to obtain University accommodation they either live at home or rent from the private sector.
- The majority of student demand is met by either houses in multiple occupations (HMO's) or students living at home.
- There is a significant gap between supply and demand which is expected to increase as a result of the increase in students attending Winchester University.

Residential – Build to Rent and Co-Living

Build to Rent (BTR)

- Winchester is a well connected commuter town, experiencing growing popularity from young families, professionals and key workers who are attracted to the location as an alternative place of residence to the capital.
- In theory, a BTR product in Winchester could operate well by capturing this resident profile which has traditionally been the target demographic for such schemes.
- As this would be the first of its type, it would be essential to position a BTR scheme correctly in terms of scale and service offering to avoid over saturating the local market and provide services in line with expectations.

Co-Living

- Winchester benefits from a strong sales market. The City is popular with young families and downsizers who are relocating out of London, attracted by the quality of its educational offering, relative (to London) affordability of property and proximity to areas including the South Downs. These location-based factors are typically less important to the anticipated occupier base for a Co-Living asset, for whom factors such as connectivity and experience are likely to be more critical.

What is Built to Rent?

Build to Rent (BTR) is a term used to describe residential property that has been specifically designed for the rental market, instead of for private resale. BTR schemes are typically owned by investment companies and the market is growing quickly.

What is Co-Living?

Co-Living is an emerging real-estate product that focusses on community and convenience where occupiers enjoy their own private furnished living space alongside well-designed, on-site communal spaces.

10. Residential - Alternative

City Gap

Real Estate Reaction

Winchester is very unaffordable being ranked 3rd in Lloyds 'Least Affordable Cities' table.

Weakness

Winchester is viewed as unaffordable with limited opportunities for all, particularly those not yet on the property ladder.

Opportunity

To provide emerging and diverse residential uses: Build to Rent, multi-generational living, Co-Living, Affordable Housing, Student Housing etc.

Residential – Retirement/Care

Retirement Market Overview

- The principle aim of this property class is to provide alternative accommodation for those over 55 years of age, from private residential housing to residential care.
- It targets older people requiring specialist-housing and/or support who also wish to maintain their independence. Typically Retirement accommodation will provide a community (with on-going activities and support provided), not just housing.
- Prices paid for retirement accommodation are reliant upon prevailing values as generally homes are sold in order for a purchaser to finance a move into the retirement scheme.

Winchester Market Overview

- Winchester is considered to be an extremely desirable residential location for end users and developers.
- The strength of the retirement market in the south of England has given rise to diversification in the retirement sector. There are operators who now provide retirement ‘villages’ which can be inclusive of multi-faceted services and the provision of incremental levels of support and care.

11. Residential - Retirement/Care

City Gap → Real Estate Reaction

Strong market demand for retirement development opportunities.

Strength
The strength of retirement market may support other less viable land uses. Developer and end user demand is very strong.

Threat
Disproportionate and market driven focus on retirement/downsizer development, with housing reflecting the needs of other age groups and demographics less able to compete.

Opportunity
To consider diverse and emerging trends such as multi-generational living.

Offices – Traditional

Market Commentary

- Winchester is an affluent and popular office location.
- There has been a very limited supply of new office space across the South Coast, including Winchester.
- This has resulted in pent-up demand from occupiers across the region.
- Winchester faces competition from nearby business locations including: Southampton, Basingstoke, Reading, Bournemouth and Portsmouth.
- Rents have reached a current prime peak (Q4 2019) of £31.00 per sq. ft (for refurbished accommodation).
- The lack of Grade A office space has prevented many occupiers from upgrading.

What Do Occupiers Want?

- Access to talent
- Vibrant public realm
- Transportation
- Fibre and Wifi connections/ WiredScore
- Interconnected ecosystem
- Independent retailers/ restaurants and leisure
- M&E – 1:8 sq. m
- Sustainability – EPC A/LEED
- 2.8m - 3m floor to ceiling
- Terraces and pocket terraces
- Green space – biophilic design
- Communal space/roof bars
- First class cycle and shower facilities
- Concierge reception

Prime Rents – Q4 2019

Location	Rent
Winchester	£31.00 per sq. ft
Basingstoke	£26.00 per sq. ft
Southampton	£22.50 per sq. ft
Portsmouth	£21.00 per sq. ft
Bournemouth	£21.00 per sq. ft
Manchester	£35.00 per sq. ft
Birmingham	£34.00 per sq. ft
Bristol	£35.00 per sq. ft
Leeds	£29.50 per sq. ft
Edinburgh	£34.00 per sq. ft

Source: JLL Office Agency Team

Offices – Co-Working/Flexible Workspace

- In tandem with the restricted supply of office space, occupiers have been looking to rationalise their real estate needs. They are looking to adapt to urbanisation and provide their employees with a collaborative atmosphere in which they can live, work and play.
- In addition to this, entrepreneurs and start-up businesses have been seeking flexibility in their real estate needs.
- The consequence has been a rise in the prevalence of co-working and flexible workspace operators.

Offices – Life Sciences / Incubator Space

- Much of the UK life science activity is formed in clusters, often built around one or more leading centres of research such as a university or research institution. These clusters typically have a broad spectrum of corporate entities in occupation ranging from spin-out/start-ups and SME’s right through to branches of multinational corporations. The Golden Triangle refers to the geographical area spanning London, Oxford and Cambridge which hosts key life science hubs and is strategically important to driving growth in the industry.

Demand Drivers

Access to Talent

Access to Academia & Research

Access to a Cluster Eco-System

Winchester: There is no existing life sciences cluster in Winchester city centre

12. Offices

City Gap → Real Estate Reaction

Winchester has a growing but undersupplied office market.

Threat
Lack of Grade A and New Office Space in the City.

Opportunity
Successful development of Station Approach (140,000 sq. ft Grade A office space) could act as a catalyst for the creation of a new CBD for Winchester. Opportunity to deliver more diverse workspace on other development sites.

Retail

Market Commentary

- The UK is witnessing a rapidly changing retail environment due to factors such as the rise of online disruption to shopping patterns and Brexit.
- Technology has improved price transparency for consumers, increasing market efficiency and reducing long term profit for retailers.
- JLL believe that the super prime, prime, heritage and convenience locations will thrive providing they innovate.
- By 2026, JLL estimates that the closure of c.80,000 stores across the UK will ultimately drive average sales densities from £400 per sq. ft to greater than £500 per sq. ft. This is despite online sales growing to c. 30% of total sales by the same time horizon (from c. 17% today).

The Future of Retail…

Flagship/ Experiential Retail → **Fundamental/ Convenience Centres** → **Flexible Lease Terms** → **Diversity of Mix and Services** → **Active Marketing, Management and Promotion**

F&B: Food Halls

- In the current market, restaurants are shrinking in their size requirements, as more independents come into the sector.
- Restaurants are a much smaller size, at approximately 1,200 sq. ft to 2,000 sq. ft. The former traditional 3,500 sq. ft to 5,000 sq. ft demand is still there but not as widespread.
- We have seen the emergence of Food Market Halls taking space from 10,000 to 60,000 sq. ft which previously was not one of the trends in the UK.
- The UK has seen the introduction of the Competitive Socialising uses in the leisure sector, with operators such as Bounce, Flight Pub, Swingers and Putt Shack to name a few. These operators are typically taking 15,000 to 30,000 sq. ft of space.
- Example of some regional food markets include:
    1. Altrincham Market, Altrincham
    2. Hatch, Manchester
    3. Baltic Market, Liverpool
    4. Stack Newcastle,
    5. Lakeside, Essex


1


2


3

4

5

F&B: Winchester's Current Offer

❖ Supported by the Winchester BID – major F&B destinations in and around Winchester include the following:

- Weekly Food and Produce market.
- The Square and Market Lane – a selection of shops, bars, and eateries.
- Lower end of the High Street – Chesil Street, City Bridge and Abbey Gardens are renowned for restaurants such as The Chesil Rectory and River Cottage.
- The district's market towns including Alresford, Wickham and Bishop's Waltham all feature independent cafes.
- Winchester's current food offer can be broken down as follows:
    - 83 independent retailers in Winchester, 14 of which are classes as 'Food & Drink';
    - 111 Food and Beverage offers; and
    - 25 venues and events spaces for hire in Winchester.

❖ The Winchester Christmas market attracts around 400,000 visitors every year and the success of the market is an encouraging pre-cursor for additional F&B and retail offerings, particularly from small, independent traders.

Leisure

- Current leisure amenities within the Winchester area are limited but at present include the following:
  - Everyman Cinema;
  - Theatre Royal Winchester;
  - Guildhall Winchester ;
  - Riverside Indoors Bowls Club;
  - Marwell Zoo;
  - Mid Hants Railway – Watercress Line; and
  - Winchester Sports and Leisure Park (under construction).
- There is scope to expand leisure amenities within Winchester to accommodate the growing student population and attract the younger generation.
- Winchester has a very limited offering of night-time entertainment facilities.

14. Food & Beverage, Retail and Leisure

City Gap → Real Estate Reaction

The national retail market is enduring a period of significant change. Winchester has a relatively strong retail, F&B and leisure market.

Strength
Winchester has performed resiliently against prevailing market conditions.

Threat
Prevailing market conditions will challenge viability.

Opportunity
To diversify Winchester's retail, F&B and leisure offering to ensure the city remains attractive to operators and end-users.

Hotel – Traditional

Demand:

- There is limited supply of branded hotel stock in Winchester at present.
- If a hotel development opportunity was to come to the market in a well located Winchester site we would expect interest to be forthcoming from the branded hotel operators for a mid-scale hotel product.

Existing Supply:

- Hotel Du Vin Winchester – Grade 4;
- Mercure Winchester Wessex Hotel – Grade 4;
- Old Vine – Grade 4;
- The Wykeham Arms Beautiful Bedrooms by Fuller's – Grade 4;
- Westgate Inn – Grade 4;
- Winchester Hotel & Spa – Grade 4;
- Winchester Royal Hotel – Grade 4;
- No 5 Bridge Street – Grade 3;
- King Alfred – Grade 2; and
- Travelodge Winchester – Budget.

Source: JLL Hotels Team

15. Hotels

City Gap → Real Estate Reaction

Winchester has an undersupplied hotel offering.

Weakness
Winchester has a limited hotel offering, particularly in the city. The city is unlikely to be capturing maximum economic benefit from its strong tourist market.

Opportunity
To capitalise on demand from operators and developers and provide an exciting new hotel offering for the city.

Industrial

- Winchester has a strong industrial market which is buoyed by excellent access to the M3. The main industrial areas are at Winnall, Wykeham Trading Estate and St Martins Trade Park.

- Development of new industrial space has been constrained in recent years and Winchester does face competition from nearby conurbations that have a greater availability of peripheral land that is suitable for industrial usage.

- There is strong demand from owner occupiers, developers and investors. We anticipate that additional industrial floorspace and development opportunities would be well received in the market, in the right locations.

Emerging Trend – Consolidation Centres

- The concept and purpose of consolidation may be new to construction but is in fact a fundamental logistics process.

- A ‘Consolidation Centre’ operates much like any regional distribution centres, but is specifically located and geared to service the needs of an urban area with tight logistical constraints.

Source: JLL Industrial & Logistics Team

16. Industrial

City Gap → Real Estate Reaction

Winchester has a strong industrial market.

Strength
There is good developer and end user demand for Winchester as an industrial location. Development opportunities have been limited in recent years.

Opportunity
To explore the potential for a consolidation centre and the wider strength of the industrial market (in the right locations) including the growth of last mile.

Thank You

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