

# Marketing and Viability Report

Commercial



## **TO LET 3/5/7 Mill Street East, Dewsbury, WF12 9AQ**

GROUND FLOOR AND UPPER FLOOR COMMERCIAL PREMISES IN A PROMINENT LOCATION CLOSE TO THE TOWN CENTRE, SURROUNDED BY A RANGE OF LOCAL AMENITIES. THE PROPERTY PROVIDES FLEXIBLE ACCOMMODATION OVER TWO FLOORS, SUITABLE FOR A VARIETY OF USES.

AVAILABLE AS INDIVIDUAL FLOOR SPACE OR AS A WHOLE BUILDING, OFFERING OPPORTUNITIES FOR COMMERCIAL OCCUPIERS OR INVESTORS. GOOD ACCESS TO LOCAL TRANSPORT LINKS AND PARKING. RENT PRICE: ON APPLICATION. WHOLE BUILDING ALSO AVAILABLE SUBJECT TO NEGOTIATION.

Property: 3/5/7 Mill Street East, Savile Town, Dewsbury, WF12 9AQ

Prepared by: Hopeful Housing Ltd

Period covered: December 2024 to June 2025

Prepared at the request of: Robert Bamling, FCCS Forever Care Childrens Services

## 1. Introduction

This report sets out the marketing undertaken for the above property for commercial and employment generating uses and explains the outcome of that marketing. It has been prepared by Hopeful Housing Ltd, to demonstrate the level of exposure to the commercial market, the nature of enquiries received, and the reasons why this process did not result in any new long-term commercial tenancies at fair current market rates.

The report also addresses the practical suitability of the building for modern commercial operations, considering its original design, physical constraints and the cost required to adapt it to contemporary commercial standards.

This report has been prepared in support of the change of use planning application reference 2025/93083 relating to the property at 3/5/7 Mill Street East, Savile Town, Dewsbury, WF12 9AQ. The report has been produced at the request of Robert Bamling of FCCS Forever Care Childrens Services to demonstrate the marketing undertaken for commercial and employment-generating uses and to explain the outcomes of that marketing exercise.

The purpose of this document is to demonstrate the response to the property advertisement on the open commercial market, that a wide range of potential commercial occupiers were reached through both agent marketing and direct business-to-business promotion, and that despite these efforts the process did not result in any new long-term commercial tenancies at fair current market rates when the nature of the building is taken into account.

This report has been prepared by Hopeful Housing Ltd, working with L&B Real Estate Ltd who were instructed to advertise and market the premises. In addition, this property was also marketed directly through established business contacts and networks, including targeted promotion within local and regional business communities using platforms such as Facebook and WhatsApp. This ensured that the premises were widely visible to potential commercial occupiers beyond the traditional estate agent listings.

The findings set out below explain not only the volume and type of enquiries received, but also why those enquiries did not translate into secure, long-term commercial occupation. The evidence shows that while the property attracted some interest, this interest was predominantly unsuitable, speculative, short-term, or residential in nature rather than representing viable commercial tenants prepared to commit at market commercial rents.

In addition to the marketing evidence, this report also addresses the inherent practical limitations of the building for modern commercial operations. The property was originally designed and built for residential use and retains standard domestic doorways, access widths and internal layouts. These features significantly restrict commercial servicing, deliveries, equipment movement and operational flexibility compared with purpose-built commercial premises. Bringing the building up to contemporary commercial standards would require substantial modernisation works at considerable cost, which in turn undermines its viability and attractiveness to typical commercial occupiers.

This context is provided to assist the council in considering the change of use application and to show that continued safeguarding solely for commercial use is unlikely to result in meaningful employment-generating occupation.

## 2. Background and nature of the building

The building itself was originally designed and constructed as a residential dwelling. Its layout, access arrangements and openings are therefore typical of a house rather than a purpose-built commercial unit. Internal circulation relies on normal domestic staircases and standard doorway widths. There are restricted commercial loading access for regular deliveries or collection of goods as a result of this set up.

These characteristics make the premises inherently difficult to service for modern commercial operations. Businesses that rely on the movement of materials, stock or equipment would need to pass everything through domestic-scale doorways and stairs, which is inefficient and, in many cases, impractical. To create commercially appropriate access and servicing would require significant structural alteration.

## 3. Condition, required works and commercial viability

The building is currently in a dilapidated condition. Its internal fabric has deteriorated to the extent that a light or partial refurbishment would not make the premises suitable for modern commercial occupation. Any realistic reuse for employment purposes would require a comprehensive, back-to-brick strip-out and full reinstatement of structure, finishes and services.

This would involve removal of existing internal linings and floors, renewal of structural and sub-floor elements where required, complete electrical rewiring, new plumbing and heating installations, reinstatement of gas supplies to parts of the building, installation of modern data and communications cabling, compliant fire detection and alarm systems, emergency lighting, fire separation works, full replastering, joinery, ceilings, floor finishes and complete redecoration throughout.

Significant fire and means-of-escape upgrades would also be necessary to achieve compliance for multi-storey commercial occupation.

Because the building was originally configured as separate houses, significant internal reconfiguration would be required to create practical commercial rooms and circulation, together with upgrades to incoming utility capacity to support business use. The level of work needed is therefore equivalent to a full strip-out and structural and services refurbishment rather than a simple cosmetic upgrade.

The building provides approximately 4,787 sq ft (445 m<sup>2</sup>) of internal floorspace. If a typical cost of £50–£70 per sq ft is assumed to fully strip the building back to brick and refurbish it to a basic commercial standard, given its current dilapidated condition, and applied across the whole building (as the works would necessarily extend throughout the structure and all service runs), this indicates refurbishment costs in the region of £239,000 to £335,000, before contingencies and professional fees.

Typical achievable office and small commercial rents in Dewsbury are around £6 per sq ft per annum at the lower end of the market. Across the whole floorspace this would produce a theoretical gross rent of approximately £28,700 per year.

After allowing for normal landlord costs such as repairs, statutory compliance, insurance, management and reasonable void periods, a more realistic net rental income would be around £22,000 per year.

On refurbishment cost alone, this gives a simple gross payback period of roughly:

- about 11 years at £239,000; and
- about 15 years at £335,000.

However, these figures do not include the cost of acquiring the property or the cost of financing either the purchase or the refurbishment.

If, for example, the building were acquired for around £200,000, the total capital invested would become approximately £439,000 to £535,000 (purchase plus refurbishment).

If this total were funded through borrowing at a typical commercial interest rate of around 6–7%, the annual finance cost alone would be in the order of £26,000 to £37,000 per year.

This exceeds the realistic net rental income of about £22,000 per year. In practical terms, the rent would not even cover the interest on the borrowing, meaning none of the original capital would be repaid and additional funds would be required each year simply to service the debt. There is therefore no realistic prospect of recovering the investment through commercial letting on normal market terms.

These figures also exclude other real-world costs such as tenant incentives (for example rent-free periods), letting and legal fees, major future repairs and any required profit or yield for an investor, all of which would further worsen the financial position.

In addition, parts of the building such as the basement and attic levels are unlikely to be attractive as primary commercial workspace. Although these areas still incur full refurbishment cost as part of whole-building works, they would typically generate only ancillary or discounted rental value, reducing the achievable income without reducing the upfront expenditure.

It would be even less feasible for a commercial occupier to fund these works directly. A tenant investing £239,000–£335,000 in refurbishment would still be required to pay rent to a landlord while occupying the building. Even if a substantial rent concession were agreed, the annual saving compared to normal market rent would be relatively modest. For example, even a 50% rent reduction would save only around £14,000 per year, meaning it would take approximately 17–24 years for the tenant to recover their initial investment. This is far longer than a typical commercial lease term of 5–10 years and gives no certainty that the tenant could remain in occupation long enough to recoup the cost. The tenant would also still need to fund their own business fit-out and operating costs.

Taken together, this demonstrates a clear mismatch between the level of capital investment required and the income that could realistically be achieved from the local commercial market. On normal commercial terms, the refurbishment is not financially viable for a landlord or investor, and it is also not economically sensible for a commercial tenant to undertake such extensive works within a standard landlord-and-tenant arrangement.

## 4. Marketing activity and rental positioning

The property was actively and continuously marketed for commercial occupation through a combination of professional agent instruction and direct open-market promotion. L&B Real Estate Ltd were instructed to advertise the premises and seek commercial tenants, while additional exposure was achieved through targeted online advertising and circulation within local and regional business networks to ensure the widest possible reach to potential occupiers.

To maximise the prospect of securing employment-generating use, the building was marketed both in parts and as a whole. Individual rooms and floors were offered separately to appeal to small and start-up businesses requiring flexible space, while the entire building was also made available to attract larger occupiers, investors or organisations seeking a single self contained premises. This dual approach was intended to widen the pool of potential tenants and cater for a broad variety of business models including offices, studios, training/education uses.

The building provides approximately 445 m<sup>2</sup> (circa 4,787 sq ft) of usable internal floorspace across basement, ground, first and second floors.

Marketing was initially expressed on a room-by-room basis at £150 to £200 per room per calendar month, with flexibility to agree whole-floor or whole-building terms where appropriate.

When translated into a conventional commercial quoting basis across the full available floorspace, these terms equate to an effective rent of approximately £3.75 to £5.00 per sq ft per annum.

This level is substantially below prevailing commercial and office rental levels in the local market in and around Dewsbury. Typical small office and commercial suites in the town are commonly marketed in the range of approximately £6 to £13 per sq ft per annum, with higher quality or purpose-built space achieving values above this. Even lower-spec secondary office space is generally advertised at around or above £6 per sq ft per annum.

Accordingly, the subject property was offered at around 15–40% below the lower end of normal local office rental values, and significantly below the average asking levels for purpose-built commercial premises.

This demonstrates that the premises were not overpriced, the asking terms were highly competitive in the context of the local market and the marketing strategy was deliberately positioned to remove rental cost as a barrier to occupation.

In addition to realistic pricing, the property was openly promoted to the market with viewings offered to all credible commercial enquiries. The premises were clearly presented as available for commercial use, either as individual floors or as a whole building, to maximise flexibility and appeal to a broad range of potential occupiers.

Despite this combination of extensive exposure and significantly discounted effective rental levels compared to normal local commercial rents, the marketing exercise did not secure any long-term commercial tenant prepared to commit on standard lease terms.

The absence of take-up at rents well below prevailing market levels provides strong evidence that the constraint is not price but the inherent physical and functional limitations of the building for modern commercial use.

## 5. Enquiries and outcomes

This marketing generated over 40 separate enquiries recorded during the core period. However, the nature of that interest is critical.

A large proportion of enquiries were brief availability checks that did not progress to meaningful exchange. A significant number of people enquired about living in the property or buying it as a dwelling; once informed that only commercial tenants are being sought currently, these enquiries did not proceed.

A smaller number of enquiries related to potential business use. In these cases, conversations were held and in some instances viewings were discussed or arranged. Despite this engagement, none of these enquiries resulted in agreed commercial terms or the completion of a lease.

Some prospective occupiers indicated that the space would only be viable for them if incentives such as substantial rent-free periods or substantially reduced rent were offered to offset the cost of making the building usable for their operations. Even on that basis, no tenancy was completed.

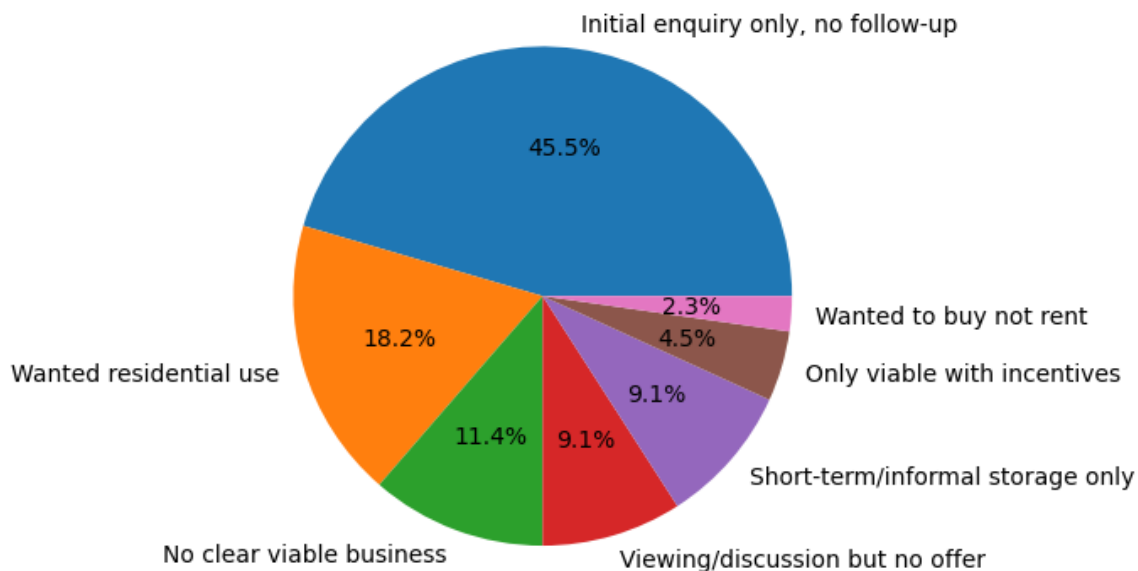
Other interest related only to short-term or informal storage, which would not represent stable, long-term employment-generating occupation.

The enquiry analysis and figures set out below represent the results of the marketing undertaken during the stated marketing period and are provided for demonstration purposes to illustrate the level and nature of market interest tested.

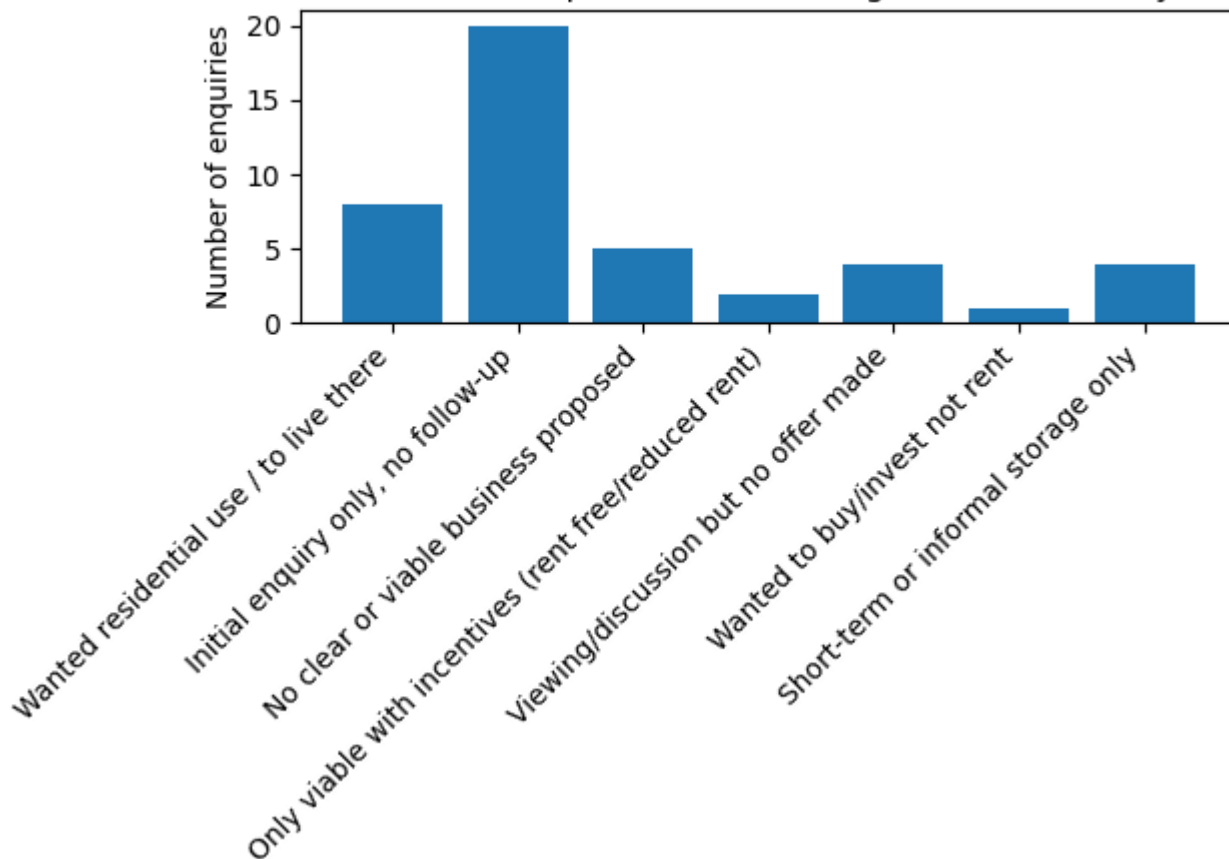
The figures presented are compiled from a variety of enquiry sources and across different points within the overall marketing period and are provided for demonstration purposes to illustrate the general pattern and nature of demand encountered. While drawn from multiple channels and times, the totals accurately reflect the overall messaging and outcome of the marketing exercise. Further supporting information can be made available upon request.

Reason for non-progression	No of enquiries	Comments
Initial enquiry only, no follow-up	20	High level of casual/low-commitment interest that did not translate into occupiers
Wanted residential use / to live there	8	Strong mismatch between market demand and employment use. <i>Note a separate marketing campaign shows an extremely high level of demand for residential accommodation in this area.</i>
No clear or viable business proposed	5	Enquirers could not demonstrate a genuine employment-generating use
Viewing/discussion but no offer made	4	Even after engagement, no tenant committed
Short-term or informal storage only	4	Demand was temporary/low value, not suitable for long-term employment use
Only viable with incentives (rent-free/reduced rent)	2	Viability only possible below normal market terms
Wanted to buy/invest not rent	1	Interest was for acquisition, not occupation for employment use

### Share of Non-Progressed Enquiries by Reason



### Reasons Enquiries Did Not Progress to a Tenancy



## 6. Commercial suitability

The building was originally designed as separate houses and is arranged as a series of small individual rooms rather than large, open and flexible floorplates. This residential, cellular layout does not readily align with the formats typically required for modern commercial activities, which generally favour open, adaptable space and layouts designed specifically for business operation.

Adapting the building for conventional commercial use would require significant structural and internal alteration to create more efficient and flexible commercial floorspace. The scale and cost of such works would be disproportionate to the level of commercial rent that could realistically be achieved in this location.

The property was marketed both as a whole and on a room-by-room basis at competitive rents to attract a wide range of potential commercial occupiers. Despite this, no viable long-term commercial tenant was secured. This demonstrates that demand for commercial occupation in this building is limited, even when offered in smaller, more affordable units.

In the local market there are purpose-built and converted commercial premises that are better configured for business use and are available without the need for major works. The subject property would be competing directly with these more suitable alternatives.

The marketing evidence indicates the effective market demand for such uses in this building are weak. By contrast, a managed, residential-style use following refurbishment aligns closely with the building's existing form and room-based layout and represents a more realistic and deliverable route to bringing the property back into sustained and beneficial use.

## 7. Market conclusion

The marketing exercise demonstrates that the property has been tested at highly competitive rental levels, both in smaller parts and as a whole building, in order to appeal to a wide range of potential business occupiers.

Despite this, the process did not result in completed long-term commercial tenancies. Enquiries received were predominantly either casual, short-term, residential in nature, or from businesses who ultimately concluded that the building's layout, access and condition made it unsuitable or only viable at heavily discounted or incentivised terms.

The evidence shows that the lack of take-up is not due to overpricing or lack of marketing exposure. When expressed on a conventional commercial basis, the quoting level was significantly below prevailing local office and commercial rents, meaning rental cost was not a barrier to occupation.

Instead, the principal constraint is the intrinsic nature and condition of the building. Its domestic-scale access and layout over multiple levels and dilapidated state mean that it cannot readily meet the needs of modern commercial occupiers without substantial and costly refurbishment and alteration.

Even if such investment were undertaken, parts of the building such as the basement and attic levels would remain unattractive for normal operational workspace and would only offer ancillary or storage value. This further reduces the realistic income that could be generated while not materially reducing the cost of upgrading the building as a whole.

In parallel, there are purpose-built commercial and office premises available in and around Dewsbury that offer modern layouts, compliant access and servicing, and which are already being marketed at typical local rents. The availability of these better-suited alternatives, some of which remain vacant, indicates that occupiers seeking commercial space have preferable options that do not require major adaptation works.

Taken together, the sustained and appropriately priced marketing, the absence of viable long-term commercial interest, the building's dilapidated condition and need for significant refurbishment, and competition from more suitable existing commercial stock demonstrate that there is no realistic or reasonable prospect of the property securing a viable, sustainable, long-term employment-generating occupation on market terms in its current safeguarded commercial role.

Continued insistence on commercial use is therefore likely to lead to prolonged vacancy, underuse, and further deterioration of the building, rather than delivering meaningful job creation or sustainable commercial occupation. The market evidence indicates that the building is not attractive to commercial occupiers or investors on

viable terms, and that an alternative use more closely aligned to the building's form is necessary to bring it back into productive, long-term use.

## 8. Recommendation on future use

The evidence set out in this report demonstrates that, despite active and appropriately priced marketing, the property is not attractive to long-term modern commercial occupiers and there is no realistic prospect of it securing sustainable employment use without disproportionate and unviable investment. The building's dilapidated condition and domestic-scale layout mean that it cannot meet the needs of modern businesses without extensive and costly refurbishment.

A full back-to-brick upgrade for commercial use would require substantial capital investment, yet achievable local commercial rents are relatively modest and parts of the building (notably the basement and attic levels) would remain unattractive for normal day-to-day business operations. This creates a clear gap between the cost of refurbishment and the level of income or operational benefit that could realistically be achieved from commercial use, meaning the numbers do not work for any party. It is not financially attractive for a commercial tenant to fund or contribute to such works, nor for an investor or landlord to undertake them in return for achievable market rents. Even with incentives such as rent reductions or extended rent-free periods, the required investment could not be reasonably recovered within a typical landlord-tenant arrangement, making continued commercial letting on viable terms unachievable.

In contrast, there is demonstrable market interest from investors and operators in residential and specialist residential care uses for the property. These uses align far more closely with the building's original domestic proportions and layout and do not rely on large open-plan floorplates. They also allow all parts of the building, including upper and lower levels, to be brought back into active and beneficial use rather than remaining secondary or redundant space.

Continued safeguarding of the property solely for commercial use is therefore likely to result in ongoing vacancy, underuse and further deterioration. Allowing a specialist residential care use would instead unlock immediate investment, enabling comprehensive refurbishment and the reinstatement of essential services and building fabric.

Such a change of use would secure committed private investment that is currently not forthcoming for commercial use, bring the entire building back into safe, occupied and well-maintained condition, and respond directly to proven market demand rather than theoretical employment demand that has not materialised. Although this represents a technical change from conventional commercial use, a C2 care home would provide stable, long-term on-site employment and continuous active use of the property. In this way it would support the underlying economic and regeneration

objectives of Council policy by delivering sustainable employment and productive use of the site, where continued protection for commercial use is demonstrably unlikely to secure tenants, investment or meaningful employment benefits.

Specifically, the proposed C2 care home use would:

- secure committed private investment that is not achievable for commercial use
- fund full refurbishment and long-term maintenance of the building
- create and sustain permanent local employment through care and support roles, and
- bring the whole property into safe, active and beneficial occupation

On this basis, a specialist residential care use represents a realistic, deliverable and sustainable future for the property. It would achieve regeneration, sustained occupation and long-term employment where continued protection for commercial use is unlikely to secure tenants, investment or meaningful economic benefits in prevailing local market conditions.