GLASGOW CITY CENTRE PROPERTY MARKET RECOVERY AND SUPPORT INTERVENTIONS

A REPORT TO GLASGOW CHAMBER OF COMMERCE

MAY 2022

Ryden

01
INTRODUCTION

1.1 Glasgow Chamber of Commerce is a collaborative city partner, contributing to city planning and business strategies. The Chamber is closely engaged in the Glasgow Economic Recovery Group and the Glasgow City Centre Taskforce, and has been appointed by Glasgow City Council to deliver a programme of work to support the City Centre's recovery from the effects of the COVID-19 pandemic. The objectives are to:

- Create the conditions to maximise the attractiveness of Glasgow City Centre. This includes investment, footfall, and consumption.
- Position Glasgow as the employment engine room of the regional economy. This includes articulating key city centre propositions, building shareable market knowledge and showcasing its asset base.

1.2 The programme is split into two workstreams:

- Data and market intelligence: Develop a process to gather, analyse and share market intelligence and trends. This includes the development of a distinct city centre narrative as a subset of the Glasgow Business Narrative. This workstream is being supplied by Forecast Analytics and Business of Cities.
- Early interventions and policy levers: Work programme includes identifying policy interventions to support the attractiveness of Glasgow city centre to investors (including innovative financing mechanisms and fast-track planning processes). Ryden (this property market report) and Stantec (economic impact assessment) were appointed to develop this workstream.

1.3 The wider programme is overseen by a City Centre Task Force which includes representatives from Glasgow City Council, Glasgow Chamber of Commerce, other public sector organisations and city centre businesses.

1.4 This Glasgow city centre property market recovery and support interventions report provides Ryden's late-pandemic market assessment. It begins to develop the market understanding and support which will be required to reshape the city centre:

- Pre-pandemic, Glasgow city centre was Scotland's premier retail and entertainment centre, a dynamic and growing visitor destination, with one of the UK's largest student concentrations and one of the UK's most important civic centres. Further plans to boost the city were impressive. The core city centre had been successful for a number of decades and the historic dereliction around some of the city centre edges was being regenerated. However, the pandemic lockdowns and tiered protection restrictions over the two years from March 2020 to March 2022 (temporarily) decimated city centre office working, retail and leisure custom, cultural and educational activity.

1.5 This has exposed and accelerated some underlying market trends, bringing together the need for post-pandemic recovery with an increasing need for the repurposing of surplus property.

1.6 Stantec's accompanying report assesses the impacts of this shutdown upon the city centre economy. This property market report assesses impacts and emerging trends by market sector. The assessments are used to develop an action programme for the city centre. The report sections provide:

- Office market review (Section 2). This covers the entire city centre office market occupancy, vacancy and development, including the emerging impact of flexible/hybrid working. Additional employment use comment is provided on the innovation, creative industries and industrial market sectors.

- Residential market review (Section 3). This covers the full city centre residential stock and the current market, with a particular focus on the development pipeline given the clear policy ambitions for increased city centre living.

- Retail and leisure market review (Section 4). Retail market change has accelerated during the pandemic and this assessment unpacks that and considers potential future trends.

- Section 5 summarises the findings of an extensive consultation exercise.

- Section 6 provides some selected case studies of development and reuse in the city centre.

- Section 7 analyses the development pipeline for Glasgow city centre across all markets.

- A summary and action plan for property market recovery and intervention is provided in Section 8.

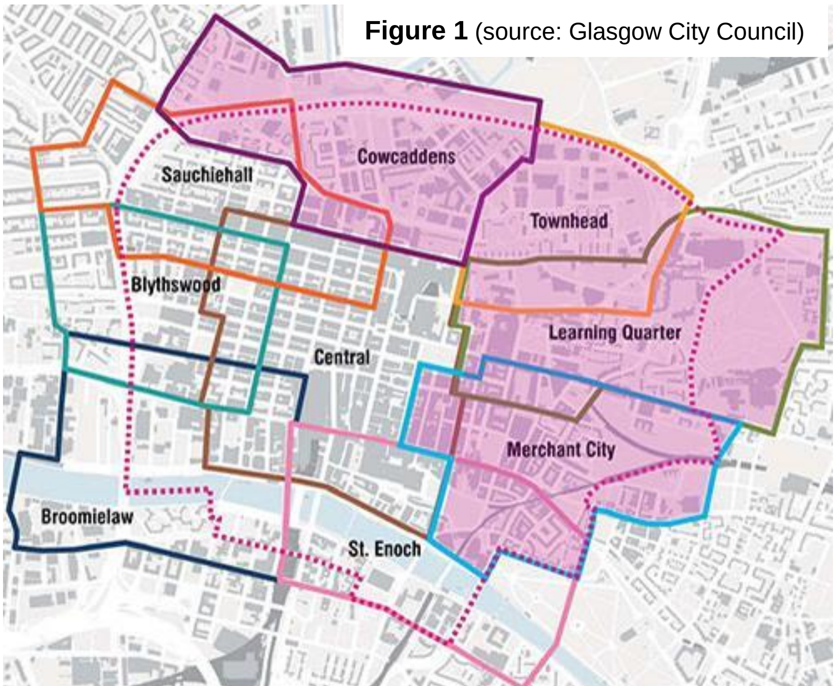
- Appendix A contains the development pipeline to underpin Section 7. These are short descriptions of the position with known proposals as they currently stand, in order to assess the overall pipeline and trends, and should not be relied upon as the confirmed and detailed position for any particular proposal.

1.7 A cautionary note is required. The pandemic's effects are ongoing and novel. Property markets often exit recessions last, reaching peak stress afterwards, particularly in the consumer-facing sectors as businesses now seek to trade their way out of financial difficulties. In that regard, this report should be considered as a **late-pandemic baseline and projection** rather than a final statement on the pandemic's market effects.

1.8 In order to fully understand the city centre, the report takes a total stock perspective. It covers all buildings both occupied and vacant – rather than just supply and demand - and considers the pipeline of future new buildings in order to assess what might be lost and gained as the city centre changes. The report concludes with an action plan for property market recovery and property repurposing. It does not make recommendations on related matters such as the management and marketing of the city centre.

1.9 The definition of the city centre used here is the Districts Regeneration Framework area. This area goes beyond the Strategic Economic Investment Location (SEIL) as used in the City Development Plan (CDP), to capture further areas of change and potential. Figure 1 shows the nine Districts, and how these extend beyond the CDP/SEIL definition of the city centre identified by the dotted line. The Districts are used as a single, composite measure of Glasgow city centre rather than analysed separately[1].

Figure 1 (source: Glasgow City Council)



1.10 Defining the city centre using the Districts affects some of the analyses presented here. This is mainly in the residential sector by including incursions into Tradeston, Anderston, Woodside and Dennistoun, as the residential stock and population including these areas is notably larger than that reported within the CDP/SEIL. The Districts definition also draws in some areas outside of the commercial core, notably to the west of the M8 Motorway.

[1] Detailed property market analyses by individual District (excluding Sauchiehall) are presented in Ryden's contribution to the Phase 2 and 3 District Regeneration Framework reports

02
OFFICE MARKET

INTRODUCTION

2.1 This section provides a market update and considerations for the Glasgow city centre office market. These include evidence of the direct effects of the COVID-19 pandemic plus early indications of the longer term, lasting effects of the changes which the pandemic has brought to office working. While offices are the largest employment property market in the city centre, there are also notable industrial, innovation and creative industries clusters which are covered briefly at the end of this section.

OFFICE STOCK

2.2 The office market in the West of Scotland is dominated by Glasgow City centre. The total stock of floorspace at the end of 2021 was 18.154 million sq.ft. (1.687 million sq.m.) (Table 1). At normal occupational densities this could accommodate approximately 140,000 jobs.

TABLE 1: GLASGOW CITY CENTRE OFFICE STOCK

QUARTER	STOCK (SQ.FT.)
Q4 2019	**17,295,000**
Q4 2021	**18,154,000**

Source: CoStar/ Ryden

2.3 The city centre office stock has increased by 5% (859,000 sq.ft.) since the end 2019, ie. during the pandemic. New office developments were completed at: 2 Atlantic Square; Cadworks, 20 Cadogan Street; and 177 Bothwell Street. Each of these buildings was developed speculatively although occupiers have been attracted during construction.

177 Bothwell Street

2.4 Further new office developments currently on site are being built for occupiers rather than speculatively. These are: Student Loans' new premises at Clyde Place (75,000 sq.ft.); Morgan Chase (270,000 sq.ft.) on Argyle Street; and 1 Atlantic Square for the Government Property Unit (HMRC) (198,000 sq.ft.) which has achieved practical completion and is now undertaking the tenant fit-out; market rumours suggest part of this could be occupied by other UK Government teams. A further office development at The Grid, 33 Cadogan Street is likely to be on site in Summer 2022 following a recent purchase by CEG (275,000 sq.ft.) and at this stage would be on a speculative basis.

2.5 The current stock figure of 18.154 million sq.ft. includes offices which have recently been sold for redevelopment. Some may be redeveloped for continuing office use while others may not. The total office stock sold for redevelopment since Q4 2019 is 719,000 sq.ft., equivalent to a 4% reduction from the current Q4 2021 level shown in Table 1. The stock position is however dynamic as new completions listed above will then add further floorspace to the total.

2.6 Figure 2 illustrates that much of the city centre office stock is in the core CBD (Central Business District) to the west of George Square, and less so in the east of the city centre or around the District edges. The public transport hubs including the main railway and bus stations, city centre amenities and business networks within the CBD are key attractors for office occupiers.

Office areas shown to the west of the M8 Motorway comprising traditional smaller stock are not regarded as part of the CBD, but are included in the Districts definition used here. Likewise, office areas to the south of the River Clyde have not traditionally been CBD - although the new Barclays Campus is regarded as a part of the office core - nor points east of High Street.

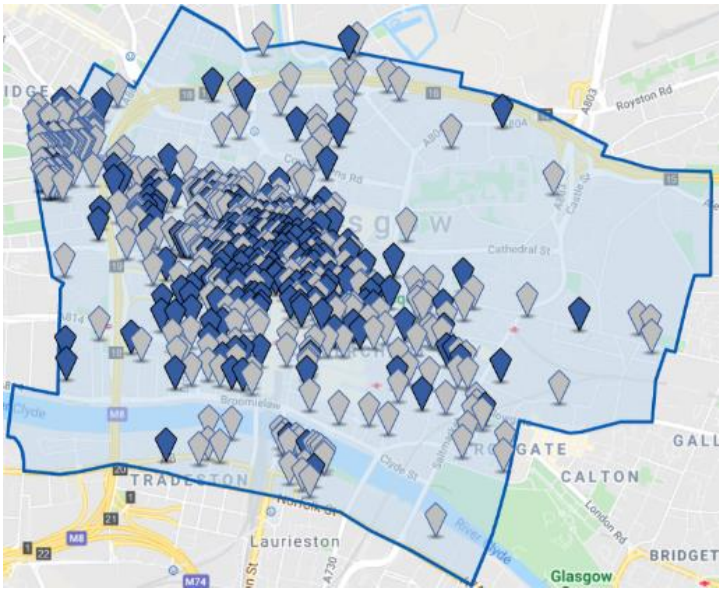


Figure 2 (source: CoStar / Ryden)
(dark blue shows where office space is currently available)

OFFICE MARKET DYNAMICS

2.7 Table 2 compares city centre office supply in Q4 2019 with Q4 2021. Supply of office space on the market increased by 461,000 sq.ft. during the pandemic to reach 2.38 million sq.ft., raising the vacancy rate by 3 percentage points to 10.9%. The total office stock increased through new development which attracted occupiers, but the overall occupancy rate fell from 92.1% to 89.1%, implying a rising vacancy in secondhand office buildings. For example, Barclay's move to their new campus adds 150,000 sq.ft. of surplus office space to current supply. A further 2.5% of office floorspace in the city centre is available but is not on the market.

TABLE 2: OFFICE VACANCY AND OCCUPANCY

QUARTER	SUPPLY (SQ.FT.)	VACANCY RATE	AVAILABILITY RATE	OCCUPANCY RATE
Q4 2019	1,919,000	7.9%	10.6%	92.1%
Q4 2021	2,380,000	10.9%	13.1%	89.1%

Source: CoStar / Ryden
Supply and vacancy are properties on the market. Availability is potentially available.

2.8 Office market activity in Glasgow city centre mirrors the pandemic lockdown and the subsequent easing of restrictions. Figure 3 shows take-up (sales and lettings) from Q1 2020 to Q4 2021 inclusive. The pandemic dip in take-up was specifically contained within Q2-Q4 2020 and Q1 2021. Take-up from Q2 2021 recovered sharply, including some occupiers taking space who had paused their plans during 2020 due to the pandemic. The Q4 2021 dip may reflect a further market pause due to the Omicron variant.

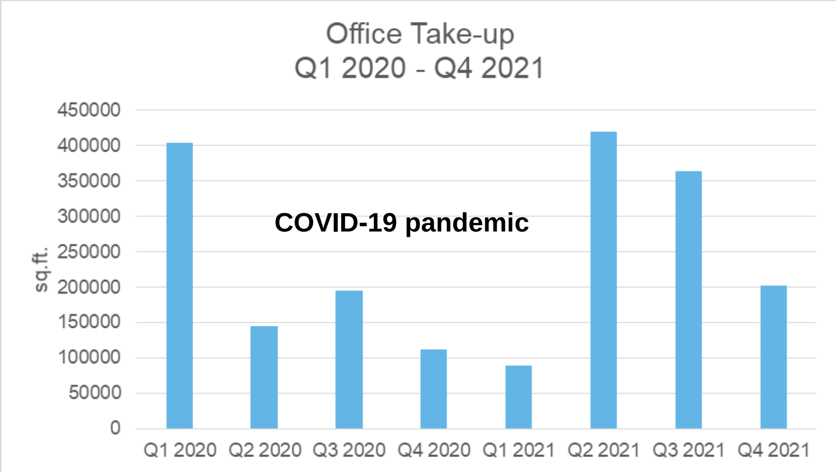


Figure 3 (source: CoStar / Ryden)

2.9 This take-up pattern across 2020 and 2021 illustrates that the pandemic's *direct* market impacts now sit in a space in time, much like other historical market events such as the Global Financial Crisis (GFC). Since the recent market low point in Q1 2021 demand for the best new office space in the city centre has bounced back with a clear signal that occupiers are seeking to provide an exceptional ESG (Environmental, Social, and Governance) focused working environment to attract staff back to the workplace post-pandemic. Healthy demand for the highest quality offices is anticipated to accelerate as the market begins to move out of the pandemic.

2.10 Beyond the short term dip in 2020/21, it is the structural, lasting changes to the office markets which are critical for the city centre market's future prospects. Occupiers across the size ranges are now seeking smaller and better quality office space to accommodate hybrid working patterns and deliver ESG commitments.

2.11 Table 3 lists significant city centre office transactions over the past 2 years. The pandemic dip was an aberration in an otherwise active office market which delivered 20 transactions larger than 10,000 sq.ft. over the period. The public sector has been notably active alongside financial and business services, transport, engineering and some managed business centre providers.

TABLE 3: OFFICE DEALS *(Q1 2020 to Q4 2021 inclusive*)

ADDRESS	SIZE (SQ.FT.)	LESSEE / PURCHASER
220 High Street	76,615	Scottish Ministers
34 Miller Street	10,000	Continuity2
11 George Square	14,740	Skills Development Scotland
Sentinel, 103 Waterloo Street	18,268	Sedgwick
220 St Vincent Street	14,035	Orega
310 St Vincent Street	28,218	Wescot Credit Services Ltd
Sentinel, 103 Waterloo Street	18,252	Chubb SE
1-2 Cadogan Square	34,052	Multiplex Europe Ltd
200 Renfield Street	35,787	Instant Managed Offices
110 Queen Street	18,544	Natwest
177 Bothwell Street	20,676	BNP Paribas Securities Services
177 Bothwell Street	17,719	CBRE
206 St Vincent Street	11,312	MDDUS
Cadworks, 20 Cadogan Street	10,086	TLT LLP
2 Atlantic Square, York Street	20,739	Atkins
338-356 Sauchiehall Street	43,600	-
St Vincent Plaza, 303-319 St Vincent Street	10,000	Wright Johnston McKenzie
Buchanan Wharf	75,000	Student Loans Company
177 Bothwell Street	19,028	AECOM
177 Bothwell Street	48,870	Transport Scotland

Source: Ryden; excludes organisations renewing their leases in existing premises.

2.12 This market activity has pushed prime city centre office rents up by 8% from £32.50 per sq.ft. to £35.25 per sq.ft. (at 177 Bothwell Street) (Table 4). For the wider city centre market, it is important to note that average rents across the whole city area are little more than half of the prime level, at £18.60 per sq.ft. This has important implications for the affordability and viability of modern, flexible office space across the city centre.

TABLE 4: OFFICE RENTS

OFFICE	AVERAGE RENT (PER SQ.FT.)	PRIME RENT (PER SQ.FT.)
Q4 2019	£18.15	£32.50
Q4 2021	£18.60	£35.25

Source: CoStar/ Ryden

OFFICE DEVELOPMENT AND INVESTMENT

2.13 As noted above, new office developments were delivered in the city centre during the pandemic and continue to be built. Those recently completed and under construction office developments, along with a selection of major office proposals are shown in Table 5 below. Following the imminent completion of 177 Bothwell Street there are no speculative developments currently underway; the three buildings under construction are all pre-let/sold. A development start at The Grid, 33 Cadogan Street (275,000 sq.ft.) is anticipated during Summer 2022 which at this stage would be speculative. Work has commenced on the refurbishment of 50 Bothwell Street (90,000 sq.ft.).

2.14 Historic city centre office development starts are reported as 1.433 million sq.ft. for the 10 years 2012-21 inclusive, indicating an average of 143,300 sq.ft. annually (source: CoStar). Notably, these development starts were compressed into isolated periods of 2013, 2016 and 2018/19, with the other 6 of the 10 years recording no office development starts. In order to understand the potential scale of new development and consequent change in Glasgow city centre, an assessment of the potential future development pipeline using planning consents and proposals is provided in Section 7 of this report and detailed in Appendix A.

2.15 For the wider Greater Glasgow market area including out-of-town locations, PMA records annual office development completions of 407,000 sq.ft. 2009-2020, however that should be regarded as historic out-of-town office development as the balance of market demand is shifting back towards central locations and new office development in out-of-town locations is no longer financially viable.

2.16 The investment market is vital for the Glasgow office sector. Investors demonstrate end value to support development viability and allow developers (should they choose) to recycle capital into their next projects. 2021 was a stop-start year for the Scottish office market, with the working from home regulations – tighter than those in England – having a greater effect on office occupancy and consequently, on investor confidence in the sector. In Glasgow, the shortage of new build availability prompted strong demand in the refurbishment/redevelopment market – Aurora, 50 Bothwell Street and 150 St Vincent Street changed hands – with buyers looking to provide high quality accommodation that also fulfills market critical ESG requirements. The uncertainty in the construction sector and build cost volatility was a handicap when appraising schemes but this will hopefully settle down in 2022.

Cadworks

TABLE 5: OFFICE DEVELOPMENTS/ MAJOR REFURBISHMENTS AND PROPOSALS

RECENTLY COMPETED	UNDER CONSTRUCTION	MAJOR PROPOSALS
177 Bothwell Street 305,000 sq.ft. by HFD Property Group. Completing. Tenants include Virgin Money, AECOM, Transport Scotland 	Refurbishment of 50 Bothwell Street (90,000 sq.ft.) by Orion Capital Managers. 	The Grid site at 33 Cadogan Street. Sold end 2021 to CEG. Site start mooted for a new speculative office building in the order of 275,000 sq.ft. 
2 Atlantic Square BAM Properties and Taylor Clark 96,650 sq.ft. speculative Grade A office. Tenants include Atkins and Burness Paull. 	One Central, Argyle Street JP Morgan Chase Technology Hub 270,000 sq.ft. 	Refurbishment of Aurora, 120 Bothwell Street (174,000 sq.ft.) by Forma Real Estate. 
Barclays Glasgow Campus, Buchanan Wharf. Developed by Drum Property Group. State-of-the-art Northern European campus HQ. 470,000 sq.ft opened October 2021 	Buchanan Wharf. 75,000 sq.ft. construction began December 2021, pre-let to Student Loans Company on a 20-year lease 	Carrick Square, Brown Street by Soller Group Phase 1 201,200 sq.ft. No confirmation on timing. PPP for 250,000 sq.ft. Phase 2 submitted December 2021. 
Cadworks, Cadogan Street 94,000 sq.ft. by Fore Partnership completed November 2021. Awarded AirScore Design and Operation ‘Gold’. Pre-let a floor (10,000 sq.ft.) to TLT. 		Broadway Central, Renfield Street MRP was granted planning permission in September 2020 for a 110,000 sq.ft. office. Sits beside the recently opened Maldron Hotel 
1 Atlantic Square. 198,000 sq.ft. by BAM Properties for GPU/ HMRC with practical completion in March 2021. 		

Sources: Ryden / websites

OFFICE MARKET OUTLOOK

2.17 Since the emergence of the modern office building in New York during the 1870s, economic output in professional, financial, public and similar services has depended upon employees working at desks in offices. Although some nomads such as technology companies worked more flexibly, the large majority resisted the trend. Now however, as office-based activity continues to rebuild during the tail-end of the pandemic, it is clear that a fundamental market change is underway.

2.18 At this point in time there are views ranging from business-as-usual but slightly smaller and better offices, to Demos' view that "*the old simplicity of the hierarchy, the structure, the skyscraper, the office, that's gone completely*"[2]. This report uses the *revealed preferences*[3] emerging in the market. It is clear that the hybrid working model across office, home and third spaces is *loosening the relationship between office occupancy and productivity*. Office use is becoming more about collaboration and less about processing. The extent to which this will shrink office requirements will vary by organisations and may change further with social and technological evolution. Writing in Q1 2022, there is consistent evidence in Scotland's cities (including in Glasgow) of an **average space reduction of around 25%** from previous office sizes, based upon actual transactions and current requirements. Nuance is of course required as the market is only just moving post-pandemic, and at the moment the range of reductions to space requirements is large. Emerging trends are:

- **Larger occupiers**[4] are seeking less floorspace but in higher quality office buildings, possibly brand new or bespoke (purpose-built). The market refers to this as a "flight to quality". Increased flexibility can future-proof against not only organisational change but also working practices; this can mean flexibility across a campus (eg. Barclays) or within a building where larger schemes often incorporate a flex space (the option to take more or less space, at a higher cost) element. Record office rents for the newest buildings reflect their absolute prime locations including public and active travel access, specifications including ICT (software technology enablement is becoming key), services and amenities, and ESG credentials. A host of major corporations have announced a move to hybrid working, including Abrdn, ASDA, Apple, Aviva, BDO, BP, Bank of England, BT, Capita and many more across the alphabet. Ryden's analysis of recent and forthcoming larger office moves in Glasgow indicates a similar trend.

- **SMEs** are also seeking less but better office space. This requires to be in multi-occupied buildings designed to also deliver flexibility around a core occupancy. Taking a long term lease to accommodate their entire office-based workforce may no longer be the dominant market model. The city centre may still remain the preferred location to start up and grow a business due to its attraction for staff, access, amenities, property choice and business ecosytem. To meet these occupier needs flexible premises in Category-A plus fitted-out offices and in managed business centres are increasing their market share; notable examples delivered recently in Glasgow city centre include:

    - **Onyx.** Acquired by CEG in 2019, the 70,000 sq.ft. former Eagle Building has received a comprehensive refurbishment to deliver a modern working environment complete with ground floor coffee shop and networking lounge and state of the art basement wellbeing facilities (in place of one level of car parking). Alongside the larger floorplates available in the building, aimed at the traditional leasing market, CEG has created 3 floors of their Let Ready concept providing small suites ranging 1,000 - 2,500 sq.ft. that are fully fitted out with meetings rooms, kitchens, fully furnished and wired for IT available on all inclusive rents and flexible terms. 5 out of 9 suites are let/ under offer.

    - **Tailor Made Suites** at The Garment Factory. As typical floors at the refurbishment range from 3,500 sq.ft. upwards, the landlord Castleforge, sought to capture the more active smaller market which also coincided with two larger retail units in the building remaining vacant. As a result, the landlord developed Tailor Made Suites within the Garment Factory, 12 small furnished and IT ready suites ranging from 250 - 750 sq.ft. on the ground and lower ground floor of the building linking into highly stylised breakout, networking and meeting room facilities. The suites completed in March 2021 and by November 2021 all 12 had been fully let during the pandemic on all inclusive rents and flexible leases.

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[2] Julia Hobsbawm, Demos, *The Nowhere Office*

[3] *Stated preferences* based upon survey responses at this time show similar results. A survey in Scotland by Fraser of Allander Institute published in mid-2021 found a wide range of responses to the question "*how much do you expect home working will permanently reduce your workplace footprint?*". The largest share of businesses expected to shrink their office space by 11-25%. Significant numbers also indicate contraction of higher at 26-50% or lower 1-10%. These findings are broadly consistent with other surveys in Scotland and across the UK.

[4] Large businesses have 250 or more employees, medium-sized businesses 50-249 employees, small businesses 10-49 employees and micro businesses fewer than 10 employees.

- **Clockwise @ Renfrew Street**. Clockwise is the brand name for Castleforge's growing UK business centre operation. They acquired the Savoy Centre and Savoy Tower and saw an opportunity to convert the largely empty and unloved Savoy Tower into a destination office building through a contemporary renovation. The business centre's offer ranges from single desk memberships to full floors available on a flexible basis, but their main offer is small furnished suites, fully IT-ready and with access to a large tenant lounge with coffee shop and outdoor terrace complete with a full complement of staff on site to provide services such as telephone answering.

- Two large, existing campus assets sitting only just outside of the Districts city centre boundary are also important to the SME office market in Glasgow. Skypark in Finnieston (c. 559,400 sq.ft.) and City Park on Alexandra Parade (c. 306,700 sq.ft.) do have larger occupiers, but notably their flexible offer for a very wide range of smaller accommodation at rents or all-in occupation packages close to the city centre average – £18 per sq.ft. to £30 all-inclusive at Skyhub - are a crucial model for the city centre economy. The prime Cat-A plus model can result in rents of c.£50-60 per sq.ft. in the core CBD.

- According to property agents, high quality flexible offices providers – brands such as Spaces, WeWork, Orega and smaller independent operators (such as Centrum and Nexus in Glasgow) will increase their current 6% market share of office take-up to 20% within the next five years, as more occupiers seek flexibility and temporary solutions including project offices. Some of the smallest users (**micro business**) may become very light touch office space users with limited, short term and meeting space blended with home-working and working at client and project offices. The latter may also be the case for supply chain contractors seeking to minimise their costs however that is still evolving.

2.19 The overall impact of this changing use of offices upon Glasgow city centre is not simple. As noted above major employers have signalled a structural reduction in their overall office footprint and are already implementing this, while market evidence provides further confirmation that is happening. The most prominent sector in Scotland shrinking its office footprint is legal services. Preceding the pandemic, some technology companies, accountancy firms, engineers (being often site-based) and public agencies already worked at less than 100% desks-to-employees under what was commonly referred to as hot-desking.

- Market complexity is illustrated by the Ovo Energy sector example. Seven of Ovo's UK regional offices are reportedly to close, while 3 national centres, including Glasgow, will receive investment. This demonstrates the importance of hub versus spoke status in the emerging market, even if overall office needs shrink. Barclays' new campus at Tradeston which commenced pre-pandemic also illustrates the importance of Glasgow remaining a first-choice location for national and regional consolidations.

2.20 It is notable that the public sector and quasi-public agencies have been slower to state their new operating and office occupancy models. Not only is the City Council the largest city centre office occupier alongside major bodies such as Scottish Government, Scottish Enterprise, BBC, Ministry of Defence, Police Scotland, Network Rail and National Savings & Investments, but new office investment has been attracted from the new Social Agency, HMRC, Cabinet Office and Student Loans Company. The office reoccupation intentions across this broad and varied spectrum of occupiers will also drive the city centre office market.

2.21 Outside of the city centre there is evident potential of growing activity in satellite commuter locations – the Lanarkshires and Ayrshires for example – to offer high quality spaces that can be used as intermediate options between the binary choice of home-working or commuting (and indeed localism and 20-minute neighbourhoods lend some weight to this). The scale of this is however modest compared with the city centre market. Clusters such as science users in out-of-town locations, for example at West of Scotland Science Park, will continue to be significant.

2.22 What is already clear, however, is that the focus on less and better office floorspace in Glasgow city centre is accelerating the process of older offices becoming surplus, and requiring alternative use or redevelopment. The process will be governed by lease events or release of owner-occupied buildings, and will thus unfold over the medium term. The nature of the surplus stock is complex in terms of market potential and financial, physical, planning and regulatory constraints; as a *conceptual* guide to surplus offices:

- **Older prime office buildings** in the CBD will be appraised firstly for re-use as offices. Assuming that occupier and investor demand is anticipated then the (financial) values are likely to support continuing office use. This recycling has already happened with the refurbishment and reoccupation of the original Atlantic buildings at Broomielaw, is now underway at 200 Broomielaw and as noted earlier in Table 4, 50 Bothwell Street is also now being refurbished as will be Aurora on Bothwell Street.

- **1960/70s office buildings** offer a range of potential for reuse as offices or alternative uses (see convert-to-rent in Section 3), or demolition and redevelopment. The upgrade of Buchanan House, rebirth of the Savoy Tower as Clockwise, and imminent comprehensive refurbishment of the landmark Met Tower demonstrate continued appetite for office use. The completed conversion of Westergate to a Yotel and imminent change of use of Dale House, West George Street to a Bloc hotel demonstrate the most recent repurposing cycle for alternative use. A wide range of factors including condition of the frame and components, internal layout and design, planning policy, listing/ heritage status (if relevant) and of course market factors around location, demand and viability will all influence the optimum reuse.

- **Pre-1960s office buildings**. Figure 4 illustrates the locations of pre-1960s office buildings in Glasgow city centre. There are nearly 400 buildings accounting for 43% of the stock (7.9 million sq.ft.). The mix of these buildings is varied but generally comprises heritage buildings and upper floors in the Conservation Area, traditional offices west of the M8, multi-let older buildings and noteable buildings such as Granite House (192,945 sq.ft.), Pentagon Centre (192,460 sq.ft.), Guildhall (145,000 sq.ft.) and the City Chambers. The repurposing of these assets as the office market retreats to better modern options is Glasgow city centre's principal market challenge - and opportunity - alongside the retail sector consolidation explored in Section 4

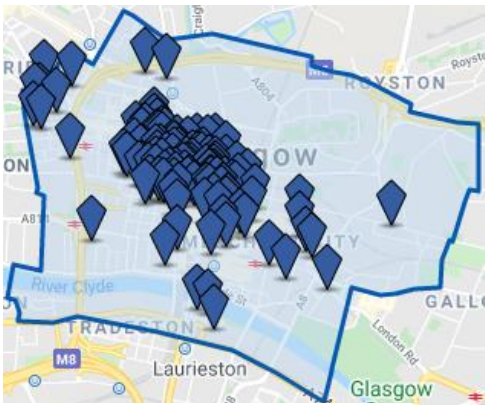

Figure 4 (source: CoStar / Ryden)

2.23 The physical contraction described above will be offset by steady demand for quality modern new-build and refurbishments as highlighted above – ie. the high specification, flexible, ESG-compliant, amenity-rich offices now clearly being sought across the market. This means a continuing need for high quality new-build office development; alongside an increased rate of vacating older, obsolete city centre office buildings; as a working model for market change:

2.23.1 **New-build mean office development** is assumed to continue at (at least) 150,000 sq.ft. per annum. This is a proven historic rate, but is cautious and was certainly higher pre-GFC, when the International Financial Services Sector for example was built and inward investment was attracted. Post-pandemic growth expectations are positive: for example additional medium term office-based employment of 3,700 jobs is forecast[5]; while net positive demand for high quality offices is projected to 2026[6]. Market activity for best-in-class office space may be higher than this but can partly be absorbed by upgrading of existing modern office space. In this growing and modernising context the indicative new-build office development rate should thus be seen as an early and cautious estimate rather than a constraint.

[5] Avison Young

[6] CoStar modelling to 2026. 2 million sq.ft. across the Big 6 office centres. No separate Glasgow breakdown.

2.23.2 The shift from obsolete to less and better office space in Glasgow city centre is *a process rather than an event*, governed by occupiers' business needs and their existing property commitments, and is expected to be offset by the economic and market growth noted above. The tentative working assumption here is that around **20% (3.6 million sq.ft.) of Glasgow city centre's office stock will require to be repurposed** as occupiers increasingly move to smaller, better office premises options. Some of that space is already vacant. The scale of repurposing is equivalent to up to half of the pre-1960s office space identified at 2.22 (although some 1960s and 1970s building will be obsolete too).

2.23.3 The net impact would be a smaller but better office CBD. If taken over say 10 years (c360,000 sq.ft. pa) against the 150,000 sq.ft. development rate above then a net loss of office floorspace of around 210,000 sq.ft. pa. is indicated, and a stock reduction from around 18 million to around 16 million sq.ft. That suggests the early 2030s city centre would be a little smaller but more modern and productive than the current mix of office buildings prevailing across the city centre – and with a legacy of major repurposing of obsolete and heritage buildings across the core city centre. Some of this repurposing is backlog as Glasgow has a less pronounced trend of converting business space to residential accommodation than comparable UK cities (source: PMA)[7].

2.23.4 These numbers are of course highly provisional at this late-pandemic stage, as occupier needs, economic growth and development appetite and viability drive the market forwards. What is not in doubt is the underlying trend: that Glasgow city centre will require to deliver best-in-class new office space, while continually repurposing an already large and growing portfolio of obsolete – but in many instances of unarguable heritage value – offices in the core city centre. The city centre Districts most ripe for this repurposing are Blythswood and Sauchiehall (south) and Central (west).

2.23.5 Taking the guideline mix from the Districts Regeneration Frameworks of 70% residential use and 30% employment, commercial or amenity uses would indicate:

- c2.5m sq.ft. surplus office space repurposed for residential use: c.2500 units[8], 4000-5000 population
- c1m sq.ft. employment, commercial and amenity space Grade A or flexible/serviced office space.

OFFICE MARKET SUMMARY

2.24 The city centre office market experienced a dip in demand during the pandemic. Demand has since resumed and major new developments continue to be delivered and planned. There is an increased occupier focus on smaller, higher quality, ESG-compliant, amenity-rich and more flexible office space to accommodate hybrid working. Office use is becoming more about collaboration and less about processing. This is further drawing demand to the new stock, including flexible managed spaces for SMEs which is forecast to grow as a sub-sector, and leaving behind vacancies in older buildings. An early, average office space reduction of c.25% is observed in the market place. Some organisations are however consolidating *into* Glasgow while the public sector has to date been less forthcoming with its hybrid working plans.

2.25 New-build, high quality office development is expected to continue, particularly in the CBD, to accommodate the 'flight to quality' that is evident in market demand. This is accelerating the process of older offices becoming surplus, and requiring alternative use or redevelopment. The mix for refurbishment or repurposing includes older prime office buildings, 1960s/70s purpose-built offices and a wide range of pre-1960s buildings representing more than two-fifths of city centre office stock. A working model could see new

[7] While undoubtedly factual, this may partly be explained by the fact that the comparable cities are in England where there are permitted development rights for changes of use from offices to residential, and Edinburgh which has a very strong and high value city centre residential market around Georgian buildings in particular. Glasgow city centre has a fine stock of heritage buildings but less pronounced planning or market support for conversions.

[8] Average flat size of c.800 sq.ft. grossed-up to allow for larger rooms and circulation/ shared space.

development continue at (as a cautious guide) historic rates of at least 150,000 sq.ft. annually, while stock requiring repurposing could be released at say 360,000 sq.ft. annually. Over 10 years this could accommodate c.2,500 residential units and 1 million sq.ft. of employment, commercial and amenity space; these figures are simply early illustrations of the scale and scope of the challenge. The city centre Districts most ripe for this repurposing are Blythswood and Sauchiehall (south) and Central (west). The 2030s city centre office stock would be a little smaller but more modern and productive.

INDUSTRIAL PROPERTY

2.26 Glasgow city centre is not a notable industrial market location. Over the long term, industrial uses have tended to move out of the inner urban area to be replaced by commercial, residential and other uses. However there are existing clusters of industrial use, and some future market potential.

2.27 The most notable cluster is north of the core city centre are at the Barratt Industrial Estate and Baird Street Trading Estate alongside occupiers such as Royal Mail and John Lewis, mixed with self storage, car showrooms and some office pavilions, all taking advantage of direct access to the M8 motorway. Otherwise industrial uses tend to sit on the outer edges of the wider city centre rather than in the commercial core, for example to the east Tennent's Wellpark Brewery is a major production facility which also includes a visitor centre and events space, while north of the M8 part of the industrial area at Port Dundas/Spiers Wharf is included within the boundary.

2.28 Industrial property is in high demand and attracts high values due to the growth of logistics/ distribution. This is partly due to the growth of online shopping and also to very limited levels of new development. Longer term it may be that remaining estates and units are also redeveloped, as there are other locations that might absorb 'last mile' distribution demand. Existing sites could though be considered for higher density (perhaps multi-storey) trades and logistics and potentially clean manufacturing associated with Glasgow's strong and growing technology sector.

SEGRO multi-storey industrial/ logistics

CREATIVE INDUSTRIES

2.29 Creative original producers are a vital sector for Glasgow, intimately bound-in with the city's culture and society. Locations for creative activity are normally 'tertiary' in property market terms and are typically moving towards regeneration, meaning that buildings are in their last productive use before demolition or remodelling. Pejoratively, 'cool' areas[9] dealing with looming 'gentrification' has long formed part of the dynamic tension of urban development. The current portfolio includes WASPS' three city centre venues, Trongate 103, Barras Art & Design, Glasgow Print Studio, The Modern Institute and Civic House. As an observation though, Glasgow seems to have comparatively few such venues given its arts and culture base, and these may also be at a point of flux and risk – and opportunity as more commercial sectors weaken their market positions – in the post-pandemic era.

INNOVATION

2.30 To a large extent the innovation sector is embedded within facilities such as higher education, institutes, teaching hospitals and individual organisations across the wider city region. The property market manifestation of innovation as a separate development type tends to be in very high value/impact locations such as the Technology and Innovation Centre (TIC, University of Strathclyde), or proposals out of town for AMIDS or within existing science parks. As with Creative Industries, the growth ambitions including recent funding announcements, plans for TIC2 and the Innovation District more widely, should now be re-examined, potentially to include high value manufacturing under the Industry 4.0 model.

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[9] A lighthearted review from the turn of the millennium is available here: https://www.economist.com/moreover/2000/04/13/**the-geography-of-cool.**

03
RESIDENTIAL MARKET

INTRODUCTION

3.1 This section assesses Glasgow city centre's residential property market. It focuses upon that local area while recognising that there is also an extensive market and policy context for housing across Glasgow city and the wider conurbation within which the city centre is nested.

3.2 The commentary identifies the full stock of residential premises in the city centre before considering market dynamics, development and investment and the market outlook. It then assesses two specific residential sub-sectors: build-to-rent (BTR) and purpose-build student accommodation (PBSA); these sub-sectors are different to mainstream residential markets as they tend to be purpose-built for and managed by operators. Affordable housing for rent is also provided and managed at scale, by Registered Social Landlords (RSLs).

CITY CENTRE LIVING STRATEGY

3.3 Glasgow's City Centre Living Strategy Vision 2035 (CCLS) provides the residential context and ambition for the city centre. The Strategy identifies that, despite a very low city centre population in comparison with other regional cities, the compact urban form, architecture, economy and strategy including the Avenues programme can meet a renewed interest in city living. The objective is to double the city centre population from 20,000 to 40,000 by 2035. The most recent Scottish Government estimate indicates a population of 27,150, which is 29% higher than the 20,981 recorded at the 2011 Census. Finding productive outcomes for vacant commercial space – which was already a concern pre-pandemic, particularly on upper floors - is a stated objective of the CCLS, alongside quality in environment and design, innovative approaches to investment and enabling resilient neighbourhoods.

3.4 The market research which underpins the CCLS was undertaken in 2016. It is informative to review progress with the main residential opportunities identified by the CCLS for each District:

- **Broomielaw** was noted as a 'massive opportunity" to create a new residential community and a master plan was proposed. The master plan has been delivered and indicates major potential but no residential development has yet been established at Broomielaw.
- **St Enoch** was an existing and improving residential market. A master plan was proposed. Car parks east of the St Enoch Centre were the largest opportunity and these are now the subject of proposals.
- **Merchant City** had a significant residential community in new and converted buildings. The most significant development opportunities were the former Goldberg's site (now being developed as Candleriggs Quarter) and Ingram Street car park (now being acquired by a developer).
- **Central** had limited existing residential stock and few readily developable sites but did present upper floor conversion opportunities. A place-based, case-by-case approach was proposed.
- **Blythswood** had existing population in flats, townhouses and new developments. Opportunities noted were the former Police headquarters (now being developed as Holland Park BTR) and former High School (currently on the market), and reuse of vacant commercial space. A masterplan for a new living zone within Blythswood was suggested.
- **Sauchiehall** opportunities included reuse of upper floors, former BHS and vacant offices.
- **Cowcaddens** includes desirable social housing and new housing and PBSA developments. Potential was noted for further residential uses including mid-market rent and PBSA.
- **Townhead** had an existing social housing stock and limited private residential interest. It was noted that sites tended be earmarked for development, which from market activity appears to have been PBSA.
- **Learning Quarter** had a mix of student residences, owner-occupied and social housing. Potential was

noted at vacant sites and premises and on High Street, requiring a mixed-use strategy potentially including mid-market rent. Proposals have recently been brought forward for further residential development at Collegelands and on High Street.

3.5 It is clear from this summary review that significant progress has been made with residential development and proposals. A number of major gap sites identified in the CCLS have progressed, while other vacant sites are still being worked-up for development. There has been less progress with repurposing. The challenges[10] of repurposing older properties and upper floors persist, and will be exacerbated by trends assessed for offices (Section 2) and to an extent retail and leisure (Section 4) driving up vacancy rates across the city centre's older buildings. The extent to which the planning and development pipeline shows appetite for different residential types and locations, including the repurposing challenge, is considered in Section 7.

RESIDENTIAL STOCK

3.6 As noted above, Glasgow city centre has an established residential population. There are concentrations of population in Cowcaddens and Garnethill, Townhead, Merchant City, Duke Street and in traditional buildings down High Street through Trongate and into Saltmarket. At the CCLS in 2019 the city centre was reported as having 43% of housing units privately rented, 26% owner occupied and 28% social rented. Extending out to the districts boundary along Duke Street would likely increase that social rented proportion.

3.7 The population numbers and density are widely recognised as being very low for city of Glasgow's size and status. The renewed focus on significantly increasing the resident population which indicates a requirement for substantial new development and conversion of existing buildings over the medium to long term.

3.8 The total stock of residential units within the city centre area shown on Figure 1 (page 4) is 14,795 units rented or owned homes, plus 5,900 student bedrooms and one smaller build-to-rent scheme (Table 6). There are also large residential-led regeneration areas emerging to the south (Laurieston), north (Sighthill, replacement stock) and east of the city centre.

Dundasvale

TABLE 6: CITY CENTRE HOUSING STOCK

	STOCK (DWELLINGS)	BTR		PBSA	
	MARKET AND SOCIAL HOUSING	DEVELOPMENTS	ROOMS	DEVELOPMENTS	ROOMS
Q4 2021	14,795	1	36	38	5,900

Source: Ryden / SAA / websites

[10] The CCLS notes the challenges of historical properties including listing, maintenance and repair of communal areas in tenements, the need for block insurance in common properties, the impact of the private rented sector in areas with poor housing condition and the lack of policies/strategies geared towards property maintenance.

RESIDENTIAL SECTOR DYNAMICS

3.9 There has been a delay in publishing housing data during the pandemic. Completions in Scotland across all sectors for 2020 totalled 14,834 units, with a decrease of 32% compared with 2019. The number of new build homes which had started construction was 17,883 which showed some recovery but was still a decrease of 27% on the previous year. Against these lower development rates, new build sales in 2021 increased by 18% over 2020 to reach pre-pandemic levels, confirming the market dynamics driving strong price increases. Market preferences also shifted during the pandemic towards "*larger houses and to non-flat homes, preferably with gardens*"[11]. Although initially driven by lockdowns, hybrid working may continue to support a need for expanded and functionally separated domestic space in both flats and non-flat homes. Completions in Glasgow (city) totalled 1,088 in 2020, a decrease of 32% compared with 2019, while new-build starts in Glasgow totalled 1,657 in 2020, a decrease of 7% on 2019.

3.10 Properties on the market are set out in Table 7. A total of 81 properties are for sale and 45 are available to rent. These 126 marketed residential properties account for just less than 1% of the city centre stock identified in Table 6 above, which is a low vacancy rate. Prices and rents vary by an order of magnitude: prices £45,000 to £450,000 and rents from £550 to £5,500 pcm; while these are due to size variations in the properties these also reflect market area and property quality factors too.

3.11 Across both 2020 and 2021 it is estimated that the city centre recorded a total of around 800 house sales, or around 400 annually. This reflects an active market.

TABLE 7: MARKETED CITY CENTRE PROPERTIES

	FOR SALE		FOR RENT	
	AVAILABLE	PRICE RANGE	AVAILABLE	RENTAL RANGE
Q4 2021	81	£44,950 studio to £450,000 4-bed flat	45	£550 pcm studio to £5,500 5-bed flat

Sources: Ryden / Estate and Letting Agencies / Zoopla

3.12 The average house price in Glasgow in November 2021 was £185,649[12], which reflected an increase of 1.2% over a 12-month period. The equivalent figures for Scotland were higher at an average price of £207,522 reflecting an 4.9% rise. Market intelligence for the city centre suggests sales rates of £300 - £400 per sq.ft.

3.13 Tenant demand for private rental in Glasgow is strong against a lack of supply and poorer quality stock. The supply and demand imbalance has led to double digit annual rental growth in Glasgow of 15.0% (Citylets). According to Citylets the average time to let in Glasgow was just 9 days, down from 20 days a year ago. Average monthly rents are also increasing. Glasgow's average monthly rents across all properties rose by 5.6% from £802 in Q4 2019, to £847 in Q4 2020, and again by 15% to Q4 2021 at £974[13]. Current BTR schemes (see 3.18 and 3.19) are understood to have price points around £900-950 per month for 1-bedroom units and £1,250-£1,300 for 2-bedroom units.

[11] A Scotland of Better Places
[12] Registers of Scotland
[13] Citylets

RESIDENTIAL DEVELOPMENT

3.14 The residential development land market continues to perform well. A dip in activity at the beginning of the pandemic subsided within a matter of months. Demand for new sites from volume and mid-tier house builders remains strong as sales rates increase in many parts of the country. These positive market conditions and current levels of under supply are encouraging developers to look at larger sites and sites in what might have previously been regarded as peripheral locations.

3.15 Due to homeowners adapting their housing needs for greater living and outdoor space, the detached home sector of the land market continues to perform strongly across cities and larger towns. Land in urban locations more suited to apartment living also continues to attract developer interest in cities such as Glasgow and Edinburgh as well as affluent suburban towns.

3.16 Recent residential development in Glasgow city centre has been narrowly focused. There has reportedly been no new private development for sale of any scale in the core city centre since Buchanan Gardens in 2012. New-build affordable housing development is confined to the eastern edges of the districts boundary. Some conversion and by exception new-build activity in small gap sites and on single block upper floors is also noted. In particular, the development of blocks of flats for sale which dominated market output pre-GFC has now been absent for 15 years (although Artizan Real Estates now proposes new residential units for sale on Ingram Street).

3.17 Those residential development markets which are very active in Glasgow city centre are *operator-led*. A major cycle of new-build student housing is now moving into its mature phase of replacing older stock and accommodating net growth. Meanwhile, a build-to-rent (BTR) residential development cycle is now commencing. Subject to market demand and values, operator-led developments provide a long income stream to deliver certainty of investment returns, and thus can attract development funding (rather than requiring speculative funding and then waiting for sales or lettings). Market housing by contrast is for individual sale, while RSL housing is for affordable sale or long term management.

BUILD TO RENT

3.18 The city centre's BTR pipeline is now substantial. One small development totalling 36 units in Candleriggs is currently operating. Table 8 identifies 13 BTR developments according to their stage in the development pipeline and Figure 5 on the next page plots these on a city centre map. By development stage:

- 1 BTR development totalling 36 units (0.8% of the pipeline) is built and operating.
- 3 BTR developments totalling 1,255 units (27.9% of the pipeline) are currently under construction.
- 5 BTR developments totalling 1,879 units (41.8% of the pipeline) have planning consent but are not yet under construction.
- 4 BTR developments totalling 1,327 units (29.5% of the pipeline) have applied for planning consent.

This confirms that a substantial first BTR phase is under construction, while a larger second wave already has planning consent. The performance of those first large BTR developments may have a bearing on the pace and mix of future phases as market demand and rental evidence builds, and will help to determine the appetite for further city centre BTR developments. While Glasgow has the economic and demographic characteristics to support a successful BTR sector, and the city centre already has an established private lettings market, BTR is still at an embryonic stage. Rising construction costs are affecting viability but may be offset in part by strong rental growth and increased investor appetite.


Holland Park

3.19 The city's West End, less than 2 miles from the city centre and very well-connected to it, is also attracting BTR development interest with sites progressing at Glasgow Harbour, Beith Street and Finnieston totalling a further 876 units.

TABLE 8: CITY CENTRE BUILD-TO-RENT DEVELOPMENTS

DEVELOPMENT	FUNDER/ OWNER	DEVELOPER	NO. UNITS	STATUS
Built and operating				
Candleriggs Court	Kelvin Properties	Kelvin Properties	36	Operating (June 2019)
Under Construction				
Central Quay	Platform_	Platform_	498	On site
Holland Park	Apache	MODA	433	On site
Buchanan Wharf	Legal & General	Drum Property Group	324	On site
Planning consent				
Candleriggs Quarter	Legal & General	Drum / Stamford	346	Site start
Dalian House	To be confirmed	Calmont Group	67*	Planning Approved
Love Loan	TBC	Chris Stewart Group	136	Planning Approved
Merchant City	Get Living	Get Living	727	Planning Approved
City Wharf	Dandara	Dandara	603	Planning Approved
Planning applications				
Portcullis House	Watkin Jones	TBC	685	In Planning
Collegelands	Vastint Hospitality	Vastint Hospitality	221	In Planning
Waterloo Street	To be confirmed	Brickland	182	In Planning
Merchant Point	Harrison Street	Structured House (Merchant Residential) Ltd	239	In Planning
		Total:	**4,497**	**Built and operating, under construction, consented and applications.**

Revised proposal early 2022 for 92 private rental flats.
Sources (and for Figure 5): Scarlett Land and Development / Scottish Property Federation/ Ryden

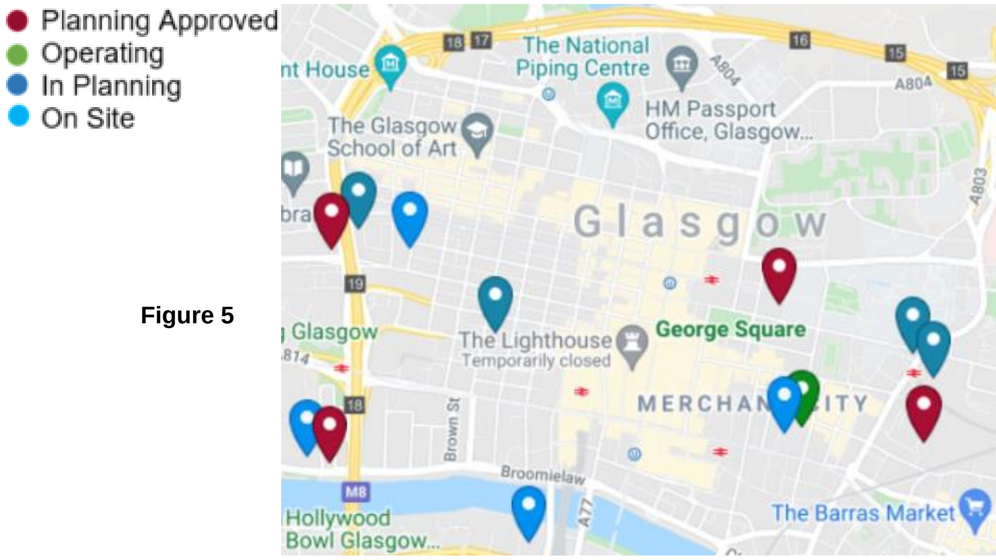


Figure 5

STUDENT ACCOMMODATION

3.20 The UK's purpose-built-student-accommodation (PBSA) development market continues to be very active. More than 30,000 bedrooms were completed in 2021[14], which is more than double the 14,000 completed in 2020 during the early pandemic. The UK's total stock is now estimated at more than 700,000 bedrooms. The current pipeline due for completion in time for the 2022/23 academic year is a further 21,000 bedrooms. Occupancy levels are reported to have recovered as students have returned to campus following the early 2020 lockdown restrictions.

3.21 Higher and further education is a major element of Glasgow city centre including the of University of Strathclyde, Glasgow Caledonian University, City of Glasgow College, Royal Conservatoire of Scotland and Glasgow School of Art, in an arc north of the commercial core. The PBSA sector emerged to complement the university halls and private rented sector in the city which historically had a comparatively low rate of students housed in PBSA. Glasgow has enjoyed an active development cycle which is now beginning to mature as new proposals capture net student growth and replace older stock.

3.22 The UK development rate indicated above would suggest that the 'mature growth' phase of the PBSA market is seeing development equivalent to 2-4% of existing stock annually (not allowing for any post-pandemic lag). Glasgow's full-time student numbers rose by an average of 3% annually 2013/14-2018/19 to 61,735 (HESA), while at a UK level full-time student numbers are forecast to continue rising at an average of 2.1% annually to 2030 (JLL). This context and the city's market position means that positive demand pressure is anticipated for further PBSA, including in the city centre.

3.23 As indicated in Table 6, 38 student housing schemes with 5,900 rooms are identified within the city centre. Providers include: Student Roost, Homes for Students, Unite Students, Xenia Students, Fresh Student Living, IQ Student and Universities' own halls of residence. Despite the existential moment associated with home learning during lockdown in 2020, the market continued to develop PBSA schemes and proposals. Two new completions during 2021 - immediately north of the M8 motorway on New City Road and in the city centre on Cathedral Street - together totalling 737 new PBSA units (Table 9). Section 7 contains further PBSA development proposals in the pipeline.

TABLE 9: CITY CENTRE NEW PBSA COMPLETIONS

OPENED 2021	FUNDER / OWNER / OPERATOR	ROOMS	PHOTOGRAPH
New City Road Opened 2021	True Student	315	
Bridle Works Opened 2021	CA Ventures / Novel Student	422	 

Source: Ryden / websites

[14] Knight Frank

3.24 Across the two year period Q4 2019 to Q4 2021, in addition to these 737 new student rooms, a further 152 private flatted units were provided including at Upper Bell Street and in small unit upper floor and office conversions. For example at Newton Place (office to four apartments) and Woodside Terrace.

Upper Bell Street

Newton Place

3.25 In considering residential development within the city centre it is important to look at the slightly wider urban context. Across developments and regenerations including in the east Meat Market and Calton Village, in the north Sighthill and from the south Laurieston, more than 3,000 mixed-tenure, new-build residential are reportedly underway or proposed in close proximity to the city centre.

RESIDENTIAL SECTOR OUTLOOK

3.26 The residential sector outlook is positive. Demographic trends, ageing stock and under-development, and in the private sector rising prices and rents, are encouraging market activity complemented by ambitious affordable housing programmes for Scotland and particularly Glasgow.

3.27 Post-GFC the city centre residential development offer has narrowed considerably, in favour of operator-led models and small upper floor conversions, rather than mainstream private development for sale or affordable housing sale or rent. Interest from house builders remains latent and RSLs are mostly priced out (see the Bell Street case study in Section 6 and consultee comments in Section 5).

3.28 The emerging BTR development cycle will bring additional population to the city centre, and diversify what is currently a stock of rented social housing, rented private housing, student housing and earlier generation private conversions (eg. Merchant City) and new-build (eg. 163 St George's Road and King Street car park).

04

RETAIL AND LEISURE MARKET

INTRODUCTION

4.1 This section assesses Glasgow city centre's retail and leisure property markets. It considers the status and role of the city centre, how that role has changed and is changing, and the stock of floorspace, market dynamics and development trends that demonstrate those changes.

4.2 Glasgow city centre sits at the apex of the retail and leisure market. Pre-pandemic it benefited from continuous investment as the UK's second largest shopping centre after London and as a growing events and visitor destination, bringing in additional custom and expenditure. That apex position is abundantly clear in the city centre's commercial scale, brand representation, turnover, values and new development over the long term.

4.3 However, even during these relatively recent good times, the steady of growth of online shopping was reducing retail performance and beginning to shrink the total amount of city centre floorspace required. Now, as has been widely documented, the pandemic has simply accelerated and made (very) transparent this floorspace contraction as retailers - including in particular non-food retailers such as department/variety stores and fashion chains – are contracting, closing or consolidating. One major retail agent forecasts that their previous assessment of 80,000 vacant shops across the UK by 2030 will now happen four years earlier by 2026, representing a doubling of vacant retail space.

4.5 Consumer behaviour has emphatically changed towards a higher proportion of shopping being online. Earlier predictions of up to 25% of comparison goods spending moving online are now being revised towards 40%[15]. The future stores portfolio will tend towards smaller, experiential and / or flagship stores in destination centres. At a market society level there has been a failure to anticipate that 'comparison' would no longer necessarily mean a trip to the shops, but would be undertaken via mobile devices and at home too. With hindsight, the online early adopters such as financial services and travel agency may have signalled this shift.

4.6 In the leisure sector, rising economic output boosted business and customer activity including events and travel. This fuelled strong growth in the accommodation and leisure sectors, particularly branded hotel chains, although Glasgow's development cycle had been particularly strong and was already maturing pre-pandemic. Other leisure sub-sectors such as casual dining were already retrenching after rapid expansion, before their businesses were severely curtailed by lockdowns and tiered protection restrictions. The leisure sector's interdependence with the retail sector signals a period of adjustment across both, with leisure now less likely to fully backfill struggling retail pitches to the same extent as it did in past downturns.

4.7 On balance, despite the current challenges, Glasgow city centre should prove much more resilient than traditional towns. It will remain the first choice location for many retail and leisure operators, even as their formats adapt, and of course custom is now rebuilding as the pandemic restrictions are ended. However, the *process* of adjustment is still economically damaging and the true underlying vacancy rate is only beginning to emerge. The stress and market change is not just among major chains; smaller chains and independent retail and leisure operators will soon face resumption of full occupancy costs (rent, rates and service charges) and potentially debt (both public and private debt) overhang to deal with as they seek to trade their way out of recent difficulties.

[15] Source: Precisely (formerly Pitney Bowes)

RETAIL AND LEISURE STOCK

4.8 Glasgow city centre has a very large stock of retail and leisure floorspace. Across the full Districts city centre as defined in this report, the total stock is 8.92 million sq.ft. plus 83 hotels offering 9,179 bedrooms (Table 10). Although trading activity within the retail stock is undergoing major – not to say seismic - transition as is described below, the city centre's total floorspace pre-pandemic in Q4 2019 had not yet changed by Q4 2021. Meanwhile, in the development sector three new hotels opened during the pandemic (see Table 15).

TABLE 10: CITY CENTRE RETAIL AND LEISURE STOCK

RETAIL & LEISURE	STOCK (SQ.FT.)	HOTEL (ROOMS / BUILDINGS)
Q4 2019	8,917,950	8,373 / 80
Q4 2021	8,917,950	9,179 / 83

Source: CoStar/ Ryden

4.9 Geographically, the most significant long run change within Glasgow's city centre retail stock has been investment and growth in the core, super-prime Buchanan Street corridor allied to the gradual decline of peripheral pitches – mainly west Sauchiehall Street and east Argyle Street – and the diversification of those into alternative uses or more tertiary forms of retailing. This is commonly referred to as the Golden Z becoming a Golden I; the reference is not new and was already seen in post-GFC commentaries in 2010.

4.10 The catalysts for this long run change were firstly the opening of the St Enoch Centre (990,000 sq.ft.) in 1989 and Princes Square (128,000 sq.ft.) in 1987/8, then later in 1999, Buchanan Galleries (660,000 sq.ft.) anchored by John Lewis at the head of the street on a public and private transport hub. This brought destination covered malls[16] to Glasgow city centre, within a short walk of each other. These malls, along with the anchor presence of Frasers on Buchanan Street and Debenhams (now closed) on Argyle Street prominent retailers running the length of the pedestrianised street and a high value fashion quarter immediately east of Buchanan Street increasingly consolidated that core area as the prime pitch. In 2013 Buchanan Quarter opened opposite the main entrance to Buchanan Galleries. The existing pedestrianised urban realm in Buchanan Street was upgraded in 2000. In this regard the move away from the likes of Sauchiehall Street's department stores has been decades in the making.

4.11 The city centre prime retail pitch is mapped by Property Market Analysis in their annual Glasgow Retail PROMIS report (December 2021)[17]. Figure 6 on the next page depicts PMA's assessment of the current city centre retail pitch. The prime retail pitch runs from McLellan Works in the west mid-way along Sauchiehall Street, via Buchanan Galleries (the blue block labelled shopping centre B), down Buchanan Street (with the prime pitch highlighted in pink) and taking in broad sweep across Renfield Street, St Enoch Centre, Ingram Street, east Argyle Street and Trongate up to Candleriggs. Much of this area is defined by pedestrianisation or enhanced public realm as much as by the presence of prime retail or leisure. As noted

[16] The Sauchiehall (Street) Centre (200,000 sq.ft.) was opened much earlier, in 1974. At that time it was the largest covered mall in the city centre, and, in a sign of trends to come, replaced a demolished department store. At the opposite extreme of the retail pitch, another shopping centre opened in the historic Briggait fishmarket building on Bridgegate / Clyde in the 1980s but failed and was replaced by WASPS studio in the early 2000s.

[17] PROMIS reports covering retail, office and industrial sectors are confidential to PMA's clients, Ryden has access to the reports as a partner for PMA in Scotland.

above, prime retailing has increasingly concentrated upon a north-south axis defined by Buchanan Street, Buchanan Galleries and St Enoch Centre.

4.12 The total retail floorspace with the area on Figure 6 is estimated by PMA at 2.99 million sq.ft., which is the third-largest among the UK centres monitored in their PROMIS reports. A comparison with the total stock figure of 8.92 million sq.ft. in Table 10 suggests that the city centre's prime shopping core represents approximately one-third of the total retail and leisure[18] floorspace within the wider, Districts definition of Glasgow city centre. If it is assumed that secondary and tertiary pitches are at some risk alongside the changing requirements of mainstream retailers, it is notable that the floorspace outside of the prime retail pitch is double that (a further c.6 million sq.ft.) contained within the core.

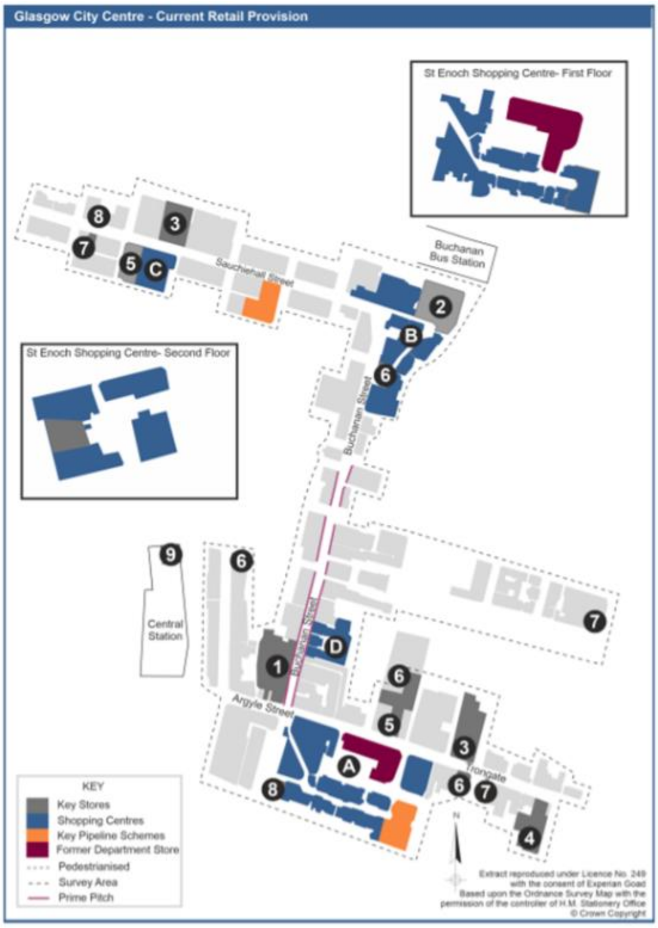


Figure 6

Source: Property Market Analysis

RETAIL AND LEISURE MARKET DYNAMICS

4.13 Table 11 compares retail supply, vacancy and occupancy pre-pandemic in Q4 2019 with Q4 2021. The retail vacancy rate in terms of formally marketed premises has increased over the two year period from 4.1% to 6.7%. Caution is required with this data as much of the underlying change is latent; for example empty department stores are not being formally marketed while alternative uses are under consideration, while occupied units are still benefiting from non-domestic rates reductions and perhaps rental forbearance from landlords. These empty department stores total c. 480,000 sq.ft. (the same as vacancy).

TABLE 11: CITY CENTRE RETAIL VACANCY AND OCCUPANCY

RETAIL & LEISURE	SUPPLY (SQ.FT.)	VACANCY RATE	OCCUPANCY RATE
Q4 2019	464,199	4.1%	95.9%
Q4 2021	457,531	6.7%	93.3%

Source: CoStar/ Ryden

[18] leisure floorspace is classed as retail

4.14 The occupier base of the city centre is exceptionally large including extensive coverage by fashion and footwear brands. While some department stores have closed in line with national trends (further comment on this is provided in the Sauchiehall Street case study in Section 6), flagship stores John Lewis and House of Fraser continue to trade in Buchanan Galleries and on Buchanan Street respectively. Most major chain stores are represented in Glasgow city centres. Some chains are represented more than once along the 2-mile Golden Z pitch, which may be a particular vulnerability of the city centre as seen recently by the closures of M&S on Sauchiehall Street (also represented on Argyle Street) and Next on Argyle Street (also represented in Buchanan Galleries). Internal moves are also evident to secure better and in some cases smaller premises by All Saints, Bo Concept, LuLu Lemon and Hamleys. The casual dining contraction has led to the loss of Pizza Express, Zizzi, Gusto, Viva Ristorante and Esca.

4.15 The core city centre has a strong complement of metro-style convenience retailing, including two Tesco Express and two Tesco Metro, two Co-ops, four Sainsbury's, two M&S foodhalls and a Lidl. The wider Districts city centre has further convenience goods stores and indeed is where a large proportion of the city centres' resident population lives.

4.16 The churn of retailers through Glasgow city centre market has been very high recently. This reflects wider corporate failures and administrations, operators pruning their branch networks or revising their store formats, lease renewals and in some instances new investment:

4.16.1 Examples of in-movers include Jo Malone, The Ivy, Size?, Omega, Sky, Ray Ban, Jollibee and Vue Cinemas. A number of in-movers listed as deals in market commentaries are relocations into the prime core from the wider city centre – examples are listed at 4.14 above.

4.16.2 The list of out-movers is much longer and includes some notable brands such as Debenhams, Watt Bros, Burton, Dorothy Perkins, Topshop, Topman, Edinburgh Woollen Mill, Oasis, Monsoon, Office, Fossil, Swatch, Moss Bros, TUI, Clarks, The Body Shop, Argos (taken over by Sainsbury's), Jack Wills and Virgin Media.

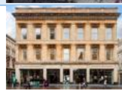
It is notable how much of this contraction is by clothing and footwear operators, reflecting the online shift of comparison goods. There have also been portfolio changes by food & beverage operators such as Pizza Express, Subway and Pizza Hut, although over the period these may be regarded as market churn rather than a wholesale exit, particularly given the constraints under which the F&B businesses operated during parts of 2020 and some of 2021.

4.17 Figure 7 maps the c. 125 retail and leisure properties on the market in the city centre. These are the 6.7% of vacant floorspace (457,000 sq.ft.) indicated in Table 11 above. The concentration of marketed units along the Golden Z is very clearly depicted. As noted above the true vacancy is under-reported and may also be latent until pandemic market support is withdrawn.

Figure 7
Source: CoStar/ Ryden

4.18 Looking at this in greater detail, Table 12 identifies some of key retail vacancies in the city centre. These have emerged over time, but in line with comments above, the portfolio of such vacancies across the city centre is growing and those which closed during the pandemic are highlighted. These types of larger vacancy are less likely to be addressed by a new letting and will typically require more significant alternative uses in order to secure their futures.

TABLE 12: CITY CENTRE KEY RETAIL VACANCIES (*selected examples*)

OPERATOR & ADDRESS	VACANT MAJOR RETAIL UNIT	
TJ Hughes, 127 - 135 Trongate CLOSED NOVEMBER 2021	Owned by Revdevco and opposite the Candleriggs Quarter development. On the market for lease. TJ Hughes relocated to St Enoch Shopping Centre.	
50/52 Argyle Street	Application for conversion of office building to form residential development (21 units) granted August 2019. Applicant Wilton Argyle Ltd, owner of the property. Long term vacancy.	
Debenhams, Argyle Street CLOSED DURING PANDEMIC	Owned by the owners of St Enoch Centre (per Sovereign Centros) Proposed residential and office scheme.	
All Saints, 98 Buchanan Street CLOSED MAY 2021	9,181 sq.ft. on ground floor let to Bar Roma in June 2021 on a 10-year lease. Savills marketing agent. Owner Dempsey Assets All Saints relocated to 83-85 Buchanan Street	
Top Shop, 235 Buchanan Street CLOSED JULY 2020	229, 235 and 249 Buchanan St. For sale 9,980 sq.ft. Application June 2021 for nos.229–249: change of use on upper floors to serviced apartments and ground floor restaurant. Extension has stalled.	
BHS, 67 - 81 Sauchiehall Street	Planning approved June 2021 for Class 1 Retail. Not actively marketed. Owner Formal Investments.	
Watt Bros 119-121 Sauchiehall Street CLOSED DECEMBER 2019	Purchased by Sandy and James Easdale in September 2020. Hotel and residential uses may be under consideration.	
Dunnes, 222 Sauchiehall Street	Currently not vacant, Brands Outlet opened Autumn 2021. Consent for hotel (Qtel, 112 rooms) withdrawn in Dec 2020.	
Royal Bank of Scotland, 235 Sauchiehall Street CLOSED 2017	4,422 sq.ft. for lease over ground, mezzanine and basement. Used by IceHub related to COP26	
Bo Concept, 257 Sauchiehall Street CLOSED C. NOV 2021	23,206 sq.ft. on ground floor for lease, former Bo Concept (relocated to Ingram Street) and Magnet units. Owner Lujo Properties Ltd. Planning application November 2021 for 249-257 for restaurant and hot food takeaway, pending consideration.	
ABC, 330 Sauchiehall Street	Purchased in December 2019 by Obarcs, alongwith Jumpin Jacks. There was a proposed PBSA scheme for this property.	

Source: Ryden / CoStar / GCC Planning

4.19 Figure 8 depicts retail and leisure lettings across the city centre in 2020 and 2021. Take-up per quarter ranges from little above zero during the initial 2020 lockdown, to just over 100,000 sq.ft. (c.1% of total floorspace stock) in Q1 2021. Quarterly take-up has been declining steadily since that peak one year ago.

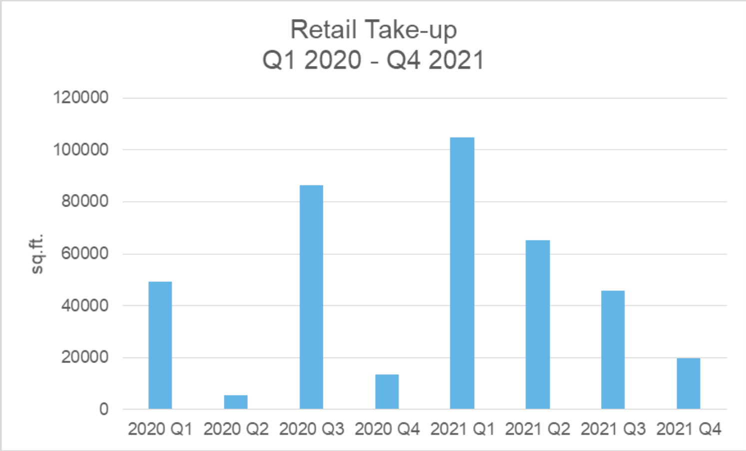


Figure 8
Source: CoStar/ Ryden

4.20 Table 13 lists some of transactions underpinning the take-up chart (and listed at 4.16.1) in a little more detail. The examples are a mix of food & beverage, discount retail and renewals/moves. At the time of writing the recent take-up low point in Q4 2021 shown on Figure 8 had not delivered any retail deals of note.

TABLE 13: SELECTED CITY CENTRE RETAIL TRANSACTIONS 2020 and 2021

RETAIL	SIZE (SQ.FT.)	LESSEE / PURCHASER
43 Mitchell Street	6,641	-
70 Mitchell Street	7,898	Sugo Pasta
468 Sauchiehall Street	8,454	Daniel Halasz Portfolio Ltd t/a Beresford Lounge
St Enoch Centre	10,000	Boom Battle Bar
St Enoch Centre	36,000	TJ Hughes
St Enoch Centre	18,513	Superdry (renewal)
St Enoch Centre	32,000	H&M (renewal)
20 Glassford Street	7,533	Sportsterz Bar
83-85 Buchanan Street	5,255	All Saints
61-65 Glassford Street	9,615	-
58-60 Waterloo Street	5,093	The Ho Wong Restaurant
31 Royal Exchange Square	9,181	Bar Roma
34 Baird Street	7,265	Flooring Store
St Enoch Centre	28,000	Gutterball
108-112 Renfield Street	5,300	Jollibee

Source: CoStar/ Ryden

4.21 Retail rental values for market transactions are exceptionally difficult to track at the moment. Some locations such as managed shopping centres are beginning to find a market level, while other pitches and units are still in flux. The trading aspirations of retailers have tightened onto the ground floor units of prime pitches (this could have further implications for the vertical extent of upper floor vacancies across the city centre over the medium term). As incentives are withdrawn and markets move closer to balance, prime headline Zone A rents on Buchanan Street may have fallen by around 25%[19] (Table 14) while the rental falls in other locations may be more substantial, although the market-wide averages have yet to move much and in fact have nudged upwards. Perhaps more notable is that the average city centre retail rent is less than 10% of the headline rent for prime Buchanan Street frontages, indicating the breadth of the non-prime market.

TABLE 14: CITY CENTRE RETAIL RENTS

RETAIL	RENT DIRECT (PER SQ.FT.)	RENT SUBLET (PER SQ.FT.)	PRIME HEADLINE ZONE A RENT (PER SQ.FT.)
Q4 2019	£20.00	£33.55	£317
Q4 2021	£22.60	£36.20	£240

Source: CoStar / Ryden

RETAIL AND LEISURE DEVELOPMENT

4.22 The most recent development cycle has been leisure-focused, around principally operator-led hotels and also casual dining and cafes[20]. Table 15 on the next page provides examples of recently-completed, under construction and proposed hotels in Glasgow city centre. The three hotels developed 2020 and 2021 added 806 rooms. The three under construction will add a further 904 rooms. Hotel stock lost during the pandemic totalled 102 rooms at the Lorne Hotel which ceased trading in May 2021. The net increase in total city centre hotel rooms is from 9,179 pre-pandemic to 10,787 post-pandemic, a substantial gain of 1,608 (18%). The market view is that the hotel development cycle in Glasgow city centre was maturing before the pandemic struck and that a period of absorption and adjustment is now commencing.

[19] This was Ryden's house view, before receiving PMA's December 2021 report on the Glasgow retail market which models a similar 26.6% drop in prime rents on Buchanan Street end-2017 to mid-2021, to £235 per sq.ft. Zone. PMA's equivalent decline across prime retail centres in its PROMIS reports is higher, at -32.8%, but given the market flux a differential of 6 percentage points may not yet indicate a substantial difference.

[20] Notably though, food & beverage across the city centre has entered existing units rather than the purpose-built formats seen on retail parks and increasingly as drive-throughs across much of the rest of Glasgow.

TABLE 15: CITY CENTRE HOTEL DEVELOPMENTS

RECENTLY COMPETED	UNDER CONSTRUCTION	PROPOSALS
Maldron Hotel Broadway Central 300 rooms opened in August 2021 	Virgin Hotel 236-246 Clyde Street 242 rooms. To open 2022 	Citihome 204 room 20-storey aparthotel planned. Planning granted in November 2019 
Premier Inn Glasgow City Centre St Enoch Square 249 room opened in June 2021 	Candleriggs Square. Development by Drum Property Group and Stamford Property Investments. Construction of the first phase, the 500-room The Student Hotel, is now underway. 	(former) Dale House, 21 West George Street. Demolition of office building. Hotel proposed by Bloc Hotels. Planning granted in June 2020 
Yotel Westergate, 260 Argyle Street 257 rooms opened in October 2020 (redevelopment of former BT office) 	Custom House, Clyde Street 162 room development by Artisan. Operator Adagio Apart-hotel. To open 2022. 	The Wellington, 134-136 Wellington Street. Planning granted August 2019. In January 2020 Rogue City Hotels bought the former Tribunal Court, for £4.4 million, for conversion into a 98-bedroom luxury boutique hotel 

Source: Ryden / websites

4.23 The other recent major leisure investment into the city centre was the 9-screen Vue Cinema in the St Enoch Centre. The city centre now has 45 screens, here, and at Cineworld (18 screens, Renfield Street), Everyman (3 screens, Princes Square, opened 2018), Glasgow Film Theatre (3 screens, Rose Street) and Odeon Luxe (12 screens, Springfield / Glasgow Quay). The cinema industry is also now entering a period of recovery following the restrictions imposed during the pandemic.

4.24 The next retail and leisure development cycle is expected to focus upon diversification – of shop units into different uses particularly in off-prime locations, of challenging key buildings some of which are identified in Table 12 above, and beyond that the major remodelling of some of the city's premier shopping destinations (see Section 7 development pipeline). Looking across the UK, proposed reuses for surplus larger units such as former department and variety stores span an eclectic mix including food & beverage, offices, indoor markets, hotels, leisure and indeed universities and museums.

RETAIL AND LEISURE MARKET OUTLOOK

4.25 Glasgow city centre is undergoing a scale of change not normally associate with apex, national destination retail and leisure venues – although it is familiar to surrounding towns which have ceded their sub-regional roles and faced similar challenges albeit on a smaller scale. As has been widely reported, the long-run shift of consumer comparison expenditure to online shopping was accelerated by the pandemic, leading to a contraction in amount of floorspace required by some retailers, and directly to the loss of other retailers from the market.

4.26 That contraction of the city centre retail floorspace is now well underway. It is not yet fully reflected in the retail footprint until pandemic support is fully removed and the process of failure and consolidation – with some net new entrants (for example IKEA) and areas of growth too – is further advanced, probably over the medium term. Notably, while Glasgow city centre has experienced *supply side shocks* in the past when new malls have opened and shifted footfall and retail pitches around, the need for less floorspace in future may by the city centre's first *demand side shock* as, until very recently, retail changes tended to move in the city centre's favour. The early movers in this market adjustment are the major institutional landlords – pension funds, life assurance, property companies, REITS – who have the market position, resources and patient capital to reposition their assets, while smaller, private and indebted owners may take longer and struggle more to secure productive future uses.

4.27 These market trends and early emerging outcomes are now sufficiently clear to merit a fresh perspective and outlook on the city centre as a retail and leisure destination. There is a pressing requirement to measure and understand consumer trends, occupier demand and the mix of uses sought, and to map these onto the Golden Z in order to understand the future economic and spatial role of Glasgow's city centre retail and leisure market, in essence to answer the question: *what will an apex centre look like post-pandemic?*

05
CONSULTATIONS

INTRODUCTION

5.1 This section summarises the results of c. 50 one-to-one discussions with key businesses, property market actors, institutions, agencies and other organisations to help gauge COVID-related effects on activity within Glasgow city centre and any suggested recovery measures. Consultees included:

- Selected retailers, hoteliers and leisure operators
- Selected major office occupiers
- Universities
- Cultural, conference and performance venues
- Major property occupiers in the city centre
- The City Council as planning and economic development authority
- Glasgow Chamber of Commerce Developer Forum
- Glasgow City Centre Taskforce
- Commercial and residential developers, major landlords and funders
- Glasgow City Centre Ward Councillors

5.2 The consultations used a semi-structured questionnaire, pre-approved by the client Steering Group. The consultations focused on: the economic and market effects of the COVID pandemic; changes likely to persist beyond COVID and their implications for activity and investment; and their views on recovery and potential measures to accelerate and expand it. Consultations were undertaken between November 2021 and January 2022 via video conferencing software rather than in person due to the pandemic restrictions which were not eased until the end of January.

PRE-COVID PERFORMANCE

MARKETS

5.3 Consultees were in agreement that the Glasgow city centre property market was in a positive place pre-pandemic, with comments reporting that it was *“performing very well”* and *“with a feeling of buoyancy about it”.* Glasgow city centre was attracting a lot of new development with much underway and in the pipeline.

5.4 One consultee commented that for the first time in 20 years, *“the office, hotel and residential markets were all active at the same time”.* Another stated it was performing well and in a *“sweet spot”*. This was being further complemented by significant public sector investment (for example City Deal) spending and investment by the universities and colleges.

5.5 Glasgow’s office market was noted as attracting strong occupier interest pre-Covid. In late 2019, Buchanan Wharf was under construction with a pre-let to Barclays (470,000 sq.ft. as part of a 1,250,000 sq.ft. mixed-use development) as were a number of other new Grade A office developments including Bothwell Exchange (468,000 sq.ft.) and Cadworks (96,000 sq.ft.). In addition, consultees commented that the Innovation Districts were active and Glasgow was attracting UK Government decentralisation. Glasgow’s office-based employment was acknowledged to contain an above average share of large firms operating contact centres/back office functions as well as a high representation of banking occupiers.

5.6 In terms of occupier work patterns, smarter/hybrid working was starting to become more common with many organisations enabling their people to work remotely, but *"very few had crossed the line to deliver a full, distributed model"*.

5.7 Consultees recognised that pre-Covid, retail had begun to contract as trade moved online. A number of brands were starting or continuing to struggle, resulting in closures, whilst others began to acknowledge *"the need to make shopping trips more experiential"* and for Glasgow to attract greater footfall for tourism and leisure purposes as well as for shopping. Nonetheless, consultees noted *"Glasgow was number 2 for retail in the UK and was attracting brands".* One retailer stated that in the UK *"Glasgow was the(ir) powerhouse in terms of spend"*. Despite the large number of out of town shopping locations, the city centre dominated and footfall was strong and was also benefitting from Glasgow's strong events sector. The iconic 350,000 sq.ft. House of Fraser department store on the prime Buchanan Street had been saved from closure and the retail sector was poised, awaiting the plans for this prominent building.

5.8 Those consultees who operate in the leisure sector commented that pre-Covid restaurants and the night-time economy in general was very strong in Glasgow. One commented, *"Clubs were very busy and there was a full calendar of gigs and evening events".* Another stated *"the night-time economy, as well as cafes in the day, benefit from the large student population in Glasgow".*

5.9 In terms of the hotel market, the sector was reported to be performing well largely again as a result of Glasgow's strong events sector. A number of new hotel developments had been undertaken, particularly targeting the budget and mid-market tiers, hence it was the view of some consultees that the *"general hotel sector was reaching saturation point".* In terms of tourism generally *"Glasgow has to work harder than Edinburgh"* and it was commonly being used as a *"one stop place"* or as *"a gateway to other places"* with fewer instances of extended stays.

5.10 In the residential sector pre-pandemic, Glasgow was experiencing a significant increase in both investor interest for private rented sector/build to rent (BTR) residential development. It was commented that *"purpose built student accommodation had peaked pre-pandemic"* and had *"benefited from a record year"*. With regard to affordable housing, consultees considered this was predominately at the edges of the city centre with city centre sites described as *"unfeasible for affordable housing development"*. Numerous consultees noted that no affordable housing contributions are sought from developers in Glasgow. In addition, it was stated that the city centre was not suitable for families as it lacked the required infrastructure for this purpose and was *"better suited to students and young professionals".* A more mixed population for the city centre was though considered to be desirable.

POLICY AND ENVIRONMENT

5.11 Consultees had mixed views on Glasgow city centre's policy and environment pre-pandemic in comparison with its UK peers. Some felt it was *"ahead of its rivals"* while others considered cities such as Manchester and Leeds to be *"moving ahead"* and much more business-focused. Manchester, in particular was mentioned by developers as a place which *"welcomes and seeks solutions with businesses"*. However, there was consensus that Glasgow was very much *"open for development"* with *"proactive and capable"* Council officers supporting development and investment.

5.12 It was considered that the market (private developers) was leading the delivery of development in the City Centre. It was stated that *"the City hasn't had a clear vision, so the market determines what each project will be, hence the proliferation of budget hotels then student housing: the highest bid gets the site".* It was also commented that Glasgow City Council should continue to seek out property market *"agents of change"*[21] to deliver new investment.

[21] This consultee was referring to placemaking and long term interests (patient capital) rather than the planning law definition.

5.13 Council strategy documents published pre-pandemic sought less physical retail space and a more mixed use approach including residential and experiential uses. It was commented that *"it was the aim to move away from mono-use areas, allied to investment and infrastructure, with a heavy focus on community needs and dealing with inequalities".*

5.14 The Avenues project was praised by consultees and it was felt that the improvements made to the public realm in Sauchiehall Street were having a positive knock-on effect on surrounding buildings where there had been subsequent private investment. Pre-Covid, it was commented that Argyle Street was a bit further behind but *"poised to benefit from investment and development".*

5.15 It was also considered that Glasgow had made a *"good start"* in relation to becoming car-free, net zero and in creating a walkable city centre. However, there was some frustration that actions and delivery were lagging behind strategy and diverse market demand, albeit it was becoming more receptive.

EFFECTS OF THE PANDEMIC

MARKETS

5.16 Scotland's first lockdown at the end of March 2020 included a number of immediate actions which impacted the property sector. People were ordered to 'stay at home' and all non-essential services had to close. In Scotland, this included a 90-day shutdown of the non-essential construction sector *("longer than that experienced across the border"*) which had a knock-on effect upon build programmes, the wider development pipeline and overall market confidence.

5.17 Where construction was already underway, the shutdown led to an unrecoverable delay in some build programmes. This was felt particularly sharply in the student accommodation sector where build programmes are timed to coincide with the start of the academic year. In some cases, the shutdown and subsequent health and safety restrictions which were imposed when construction was allowed to re-commence meant original timescales could not be recovered. In one instance, students had to stay in hotels for their first weeks and the developer had to secure a relaxation on completion rules to allow students to move in as soon as possible whilst construction continued around them. At other commercial sites the first lockdown initially caused uncertainty but then sites re-started on a *"sensible, restricted working basis"*.

5.18 Where development projects were in the earlier stages of planning, some investors decided to pause to *"wait and see"* where the market might settle. Consultees commented that *"everyone thought the pandemic and lockdown would be short-term"* but also that *"things were very uncertain; no-one had experienced anything like this before"*.

5.19 Work from home guidance/legislation was a key part of both the UK and Scottish Government's response to the pandemic. However, in Scotland the work from home message has been particularly consistent throughout. Initially, for office occupiers this meant a sudden and almost overnight switch to home working. Many commented that whilst there were initial teething problems around things like IT and video-calls the majority of organisations were able to adapt extremely quickly. This has *"accelerated thinking on hybrid working"*.

5.20 The lack of office workers in the city centre has impacted footfall, especially mid-week, and the impact on businesses which depend on this has been stark. It was commented (*in late 2021*) that the city centre *"feels and looks empty"* due to the absence of office workers and that this should set *"alarm bells"* ringing over people's appetite to return to the city. One consultee stated *"people have been at home for a long time now, they've created new habits and routines which will be hard to break".* Many are *"also saving on transport costs"* and able to benefit from a more flexible approach to working and a better life:work balance. Indeed, the workforce has become *"suburbanised*". Consultees noted that Glasgow has also still to see the full impact of hybrid working including across larger public sector organisations.

5.21 Many office occupiers have paused to consider what their property requirements might be going forward. One large occupier commented they had not renewed leases on several floors of their building upon expiry and another stated they anticipated that on lease break they would decrease their footprint. A developer commented that *"Grade A office occupiers are still taking space however initial space requirements have dropped"*. Another stated they were anticipating a contraction of 15-20% in terms of the sizes of office occupiers' requirements. There is a "*flight to quality*" and occupiers are seeking *"less but better space"* and at higher rents. It was noted there are fewer mobile investment enquiries in the current marketplace. Consultees anticipated the effects of these trends would be more acute in the secondary office market.

5.22 One part of the office market which was considered to be thriving was that of shared workspaces and modern serviced offices. One operator commented that smaller occupiers were re-considering their office space requirements and seeking more modern space where the property management aspects were delivered for them. A number of larger companies took hot desking spaces for employees who were unable to work from home for a variety of reasons. This type of space has also attracted start-ups seeking to collaborate with other companies within the building. Flexible terms are a core part of this model.

5.23 Non-essential retailers, leisure operators and hospitality providers were also told to close at various points throughout the pandemic. Whilst there were various types of support available, reduction in city centre footfall impacted many of these businesses' ability to recover when they were allowed to open and a number of brands went into administration or left Glasgow. Consultees felt that claims about Glasgow being the 2nd UK City of retail can no longer be substantiated. There was consensus amongst retailers that footfall is now lagging behind other UK cities and this *"means our recovery will be slower".* One noted that a number of luxury retailer requirements had now moved to Edinburgh with the opening of the St James Quarter.

5.24 There were also concerns about the scale of the shopping area in Glasgow city centre given the general contraction of the sector: *"Do we really need a Buchanan Street, Argyll Street, St Enoch Centre and a Buchanan Galleries?"*. It was acknowledged that many of the larger landlords were looking at re-purposing retail space.

5.25 Meanwhile, good suburban shopping and leisure areas such as Glasgow's West End have become busier and are more vibrant with more people working from home and patronising their local town centres.

5.26 Market commentators noted there has been a contraction in terms of retail rents of between 25-50%, indeed *"without footfall retail doesn't work and there have been many frank discussions with landlords"*. Some retailers stated they had moved towards turnover-based rents[22]. It was considered though that reduced rents have allowed independents into Glasgow city centre who previously could not offer the covenants or rents to open in good locations. Where independents are offering quality products this was seen to be positive for the city, but it was commented that the sale of cheaper goods and *"tartan tat"* was undesirable within the prime retail locations.

5.27 The decreased levels of footfall have also impacted the food and beverage sector, which has contracted. Covid restrictions meant that on opening many restaurants/pubs were operating within restricted hours with social distancing requirements which was hard to balance against their operating expenses, and many chose to remain closed. Many restaurants/cafes in the city centre now (*late 2021/ early 2022*) operated reduced hours of trade because there was not the footfall to support them fully opening. One restaurant owner commented that they now close on a Sunday evening and a Monday. Staffing shortages are also an issue for this sector.

5.28 Nightclubs were the part of the market which was closed for the longest time because of Covid restrictions – *"524 days"*. Operators commented that they were quickly able to adapt to (*temporary*) vaccine passports and on opening were very busy again largely as a result of students returning to the city.

[22] This is where the amount of rent paid is not fixed but is partly or entirely based upon the turnover achieved by the retailer – ie. the landlord shares in the trading risk. It is common in speciality centres but less so in mainstream retail markets.

5.29 The effects of the pandemic have been bleak for the hotels and hospitality sector. Many have high fixed costs and despite the rise of staycations there was reduced demand in Glasgow city centre with many people opting for rural locations. As noted above Glasgow's hotels and hospitality industry relies heavily on events and without these the sector has struggled.

5.30 Consultees considered the true effects of the pandemic would be seen once the Government fully withdraws its support to businesses. Specific mention was made of the current reductions in non-domestic rates and VAT which are due to return to normal levels later in 2022. One restauranteur stated *"rates are a huge issue. Our rates are based on turnover not profit. If rates go back up to normal levels in April, I'll have to sell my business".* Similarly, the cost of VAT attracted a lot of discussion amongst an overall rise in many other costs including energy, goods and wages. One consultee remarked that once this support is withdrawn *"we'll see the real winners and losers".*

5.31 Consultees considered that all cities are adjusting to similar pandemic challenges and that this will lead to a period of organic change which will involve both closures and new investment. Current proposals for significant new development may slow as "*rising costs and supply chain issues bite*".

POLICY & ENVIRONMENT

5.32 Consultees commented that recovery and diversification requires better management of the city centre environment. Numerous comments were made about the current environmental conditions and experiences, including overflowing bins, general cleanliness, anti-social behaviour including drug use and the effect this has on people's feelings around their personal safety. These conditions have become problems as the pandemic has dragged on and maintenance of the city centre has deteriorated as it has been under-used for almost two years. The knock on effect this can have on footfall was acknowledged: *"the city centre needs to look amazing, we need to attract people back"*. One retailer also commented that the environmental condition of the city is very important when trying to attract quality brands to Glasgow. Comparisons were again drawn with other cities: *"Edinburgh looks like a capital city"* and "*Liverpool manages the city centre much more cohesively*". Comment was also made about the location of the public sector workforce responsible for some of these issues and whether working from home was suited to the maintenance of the city centre.

5.33 Consultees also cited poorly-maintained upper floors and older buildings and vacant sites which are adversely affecting the city's image and its ability to recover. It was considered that more should be done particularly where these are a blight on the immediate area.

5.34 Comment was made around changes made to the public realm as part of Spaces for People. Consultees considered that due to their temporary nature they did not help to create a quality environment and that if these changes are to stay then they should be altered to look more permanent. A consultee stated that Glasgow is creating *"world class public realm*" in areas of new investment, but the contrast between that and some other parts of the city centre is stark.

5.35 Many developers reported that the Council's planning department has become increasingly busy. One stated that *"100% of the problem"* for Glasgow city centre is under-resourcing within the Council; the officers are *"proud of their city and proactive"* but more are needed and good officers who have left need to be replaced. Many developers stated that the Council is failing to meet statutory timescales associated with planning applications as a result[23]. Others acknowledged that the Council was perhaps busier as a result of developers looking to make changes to existing schemes as a result of the pandemic. It is difficult to

[23] Scottish Government Planning Performance Statistics for 2020/21 show:
- 65.8% of local developments without processing agreements in Glasgow City had decisions made in less than the statutory 2 months. The national average is 67.8%.
- The average decision time to determine a major application in Glasgow City was 35.6 weeks. This is less than the Scottish average decision time of 41.3 weeks. However, the statutory timescale for a major application is 4 months (c16 weeks).

understand therefore how much of the increased workload is net additional activity or simply change. Council planners also stated they saw the number of smaller householder applications go *"through the roof"* during the pandemic as people sought to make changes to their domestic space.

5.36 Transport is considered to be a major policy area on the horizon. Consultees perceived Glasgow to have a high level of demand to commute by car; as workers return to the city and the Council strives to make the city centre car-free there will be friction around public transport infrastructure and costs. Transport providers have seen a lot less demand over the course of the pandemic and therefore many do not offer the same routes or frequency of service. One consultee stated that *"travel to work has become more complicated again and so people will just jump in the car".*

5.37 Non-domestic rates were also a big issue for consultees. One commented that the Scottish Government review of non-domestic rates and its recommendations was already out of date now given the pandemic and how businesses have been affected. It was stated that there was a lack of joined up thinking in relation to non-domestic rates and zero carbon ambitions in that if you make improvements to your property, then rates will go up. Another stated that empty property rates were a *"disincentive to investment".*

VIEWS ON RECOVERY

MARKET

5.38 Consultees believe that Glasgow city centre will still be a strong market post-pandemic but that it must adapt to the trends noted above. Repurposing city centre space is a core part of the market's response and landlords have sought to reallocate predominately retail space to create value and offer more mixed use buildings and areas. In the prime shopping areas, at individual building level, consultees commented that this re-purposing has tended to be towards restaurant/leisure uses. At the larger end of the scale, consultees also cited the St Enoch Centre's pivot away from retail towards a broader mix of uses including residential, offices and hotel as a key indication of this trend (*note: Buchanan Galleries' owner has since announced similar intentions to move towards more mixed space*). Consultees noted that retaining flagship retailers wherever possible would be critical for Glasgow city centre and that individual retailers were also altering their offering to attract additional customers, including more experiential retailing as well as additional provision such as the inclusion of food and drink within Frasers.

5.39 Investment in public realm such as the Avenues Project in Sauchiehall Street was reported to be encouraging conversion of retail into residential. Other locations such as Argyle Street were expected to benefit in due course. The city centre was felt to have done well with 'monetised' activities in the past but increasingly would also need to attract people who simply want to be in an attractive environment.

5.40 Office workers continue to work from home or gradually, as restrictions ease, move towards hybrid models. It was commented that the *"public, private and voluntary sector"* all accept hybrid working. A number of public sector bodies in Glasgow are currently working with the Scottish Futures Trust to assess their property requirements going forward as agencies look to accommodate hybrid working and share space in the future.

5.41 Notwithstanding, it was reported that the Grade A city centre office market is still strong and able to attract high rents. One developer commented that a *"core and flex"* model is key for the future, where occupiers lease a core floorplate with the option to take additional space flexibly if required. It was also commented that floorspace fit-outs were also changing with more collaboration space rather than personal desk space.

5.42 In terms of mixed space provision, the *"activation of ground floor uses"* was considered particularly important within new office developments to ensure the city retains ground floor vibrancy. This was acknowledged by office developers. Meanwhile there is also market appetite from some shared workspace providers to expand their flexible provision and in the process to re-purpose vacant or less desirable space.

5.43 Development plans are still in place for the innovation districts but consultees noted these were now likely to take longer to deliver. It was noted that was still a requirement for innovation space where start-ups can be established and grown. Sectors specifically mentioned were film/creative industries and fintech.

5.44 In conjunction with the flight to quality in the Grade A office market noted above, consultees reported increasing vacancies in secondary office space including on upper floors. A consultee stated that this type of space no longer meets requirements and it would be very difficult to attract people away from working at home to this type of office. A *"mass exodus"* was considered to be inevitable by one consultee. In terms of repurposing it was considered that these types of buildings could free up space for residential but there are complexities associated with the conversion of older buildings and the market is still *"tiptoeing around this"* in its attempts to make prospective schemes viable. Examples of these complexities included access issues, disparate owners, VAT on construction costs and increasing requirements for better energy performance.

5.45 It was considered that the BTR market in Glasgow is just starting to take off in Glasgow city centre with many schemes in the pipeline. The amount and scale of BTR schemes being proposed is extensive and it was commented that the market will take time to *"absorb"* and assess the performance of the first developments. It was proposed that a BTR model for families could be appropriate. Comments were also made that the *"balance of demand"* between expensive BTR versus less expensive options around the wider city centre was still to emerge. There are continuing issues around the affordability of city centre sites to deliver affordable housing. It was also considered that increasingly developers were having to think in greater detail about the provision of workspace and amenity space in homes in the future, in response to the pandemic. Co-living and senior living models also have potential to attract further investment and population into the city centre.

5.46 As all sectors continue to respond to a changing market it was agreed that the best schemes will attract occupiers/operators and funders, but many other schemes would stall or have to be altered, perhaps more than once in order to attract demand and ensure viability.

POLICY AND ENVIRONMENT

5.47 It was generally agreed that the public sector needs to take a greater leadership role in driving the city centre's recovery. It was suggested that the public sector should consider *"what it can control and change"* and that a greater risk tolerance may be required going forward as in the next phase of the market it is likely that some projects will stall or fail. Proactively engaging with businesses and what they require was seen as critical and *"waiting for developments to happen"* is not an option. Others thought the public sector could go further and also actively target leading developers who are investing in other core cities to discuss their future plans and highlight candidate sites to them.

5.48 It was considered that the public sector should lead on providing support and infrastructure, via other agencies/private partners where required, which will aid transition to new, viable city centre activities. A consultee commented that *"simply recovering to pre-pandemic isn't sufficient"* the public sector now needs to have a clear strategy which is *"joined up and resourced"* across projects and infrastructure. *"Intervention to deliver impactful area-wide projects"* was one consultees view and others stated that private owners alone *"can't facilitate change".*

5.49 Some developers highlighted a nervousness about the existing utilities network which they considered to be stretched and whether there would be potential "*showstoppers*" in the future for development. Another infrastructure project mentioned was the creation of a district heat network within the city centre. Again, it was considered projects like these will require proactive public authorities to lead and deliver.

5.50 It was suggested the City Council should consider using its own assets to drive change and have conversations with developers to *"share upsides"* and potentially consider joint ventures. It was also stated that greater coordination should be put into place in areas where there are multiple public sector ownerships and that there needs to be greater consideration of what the wider outcomes will be. It was suggested that

City Deal and other public investments should be now be re-tested against emerging needs, and coordinated. One consultee considered that there should be more thought around capturing value where significant amounts of public sector monies are due to be spent in the future, e.g. the proposed Clyde Metro. There was also discussion around the importance of leveraging other public sector monies, e.g. Vacant and Derelict Investment Programme, People Based Investment Programme etc, to create maximum impact.

5.51 Ambitions to create more city centre living in Glasgow were widely acknowledged by consultees but there was frustration by some around restrictive planning guidance for student accommodation in certain areas of the city centre. One consultee stated that purpose built student accommodation should be "*celebrated*" as it brings more residents into the city. Another stated that students want to be close to the universities and in the city centre but there is still unmet demand with some students having to be housed by the universities outwith the city. A consultee noted that private student accommodation can be expensive and affordable stock is required for students too.

5.52 Consultees understood the desire to attract a more mixed demographic and more mixed housing products to the city centre, but they suggested that current provision was still a long way off being suitable for families for example. It was agreed there is a need to understand what residents want from the city centre, i.e. families would likely require more community and amenity uses. It was also suggested there needed to be better knowledge around new residential models such as co-living.

5.53 Glasgow has increasingly green ambitions around its city centre buildings with developers of new commercial buildings able to charge a *"*green *premium"* to occupiers in many cases. However, there are issues around the upgrading of older tenements or building conversions which are already costly exercises even before net zero is considered. For some buildings there may need to be greater consideration given to replacement rather than retention. If there is a wider drive to convert many of these buildings to residential, consultees considered greater interventions/incentives would be required as well as regulatory review. Focussing on particular areas where there is a concentration of buildings of this type was also considered to be a good idea and specific mention was made of Bath Street and West Regent Street.

5.54 Issues around the resourcing of the Council's planning department were mentioned above and faster responses will be required going forward as demand grows for change of use including repurposing and retrofitting. It was commented that developers need to be able to plan for decisions in line with statutory timescales to create reliable programming and that any further increase in application volumes could create further blockage in the system. Consultees highlighted the move by Highland Council to outsource particular activities from its planning team in order to provide an enhanced service and charging higher planning fees as a result. There was also discussion from consultees around permitted development rights or more flexible powers for enabling change of use applications or active frontage flexibility. Consultees stated that plans for specific changes could be included in the next Local Development Plan.

5.55 Improved branding of the city centre was also considered to be overdue. Consultees were confused as to what Glasgow's clear offering now was to potential visitors. One retailer stated that branding associated with the *"Style Mile"* is now 12 years out of date and required a refresh. Another commented that retail pitch data was also now out of date and it was becoming increasingly difficult to sell the city to new brands without this. Again, there were concerns about a lack of coordination in this area with one consultee commenting that it's very difficult to understand who is leading city centre initiatives now; *"is it Visit Scotland, Glasgow Welcome, Glasgow Life, the Chamber of Commerce or the City Council?".* Another stated that the city must rediscover its *"vision and passion"*. A number of consultees viewed other cities as more joined-up in terms of their branding.

5.56 The importance of events going forward was viewed as critical to future footfall within the city centre. Calls were also made from some consultees for subsidised and better integrated public transport to encourage people to use the city centre. Consultees were also clear that the shopper experience needs to improve with better management of cleanliness and antisocial behaviour, quality public spaces and greater overlap between the day time and night time economies. One consultee considered that shops should operate European opening hours and stay open till 8pm. Others mentioned more cohesive city centre management approaches in other cities with ideas around initiatives such as 'city centre rangers' and shopfront improvement grants. It was also considered that Glasgow should "*accelerate greening*" of the city centre through the Avenues project and there was agreement about a need for more pedestrian space, an area which has again been invested in heavily by other cities. Removal of cars from the city centre was also desirable for the majority of consultees. However, these who operate within the night-time economy were less supportive of this.

5.57 The paucity of art within the city centre was also noted to have an impact on the City's vibrancy. Consultees from the arts community expressed frustration that public agencies had lost their collaboration with the arts sector and understanding of the cultural economy. Consultees stated that increasingly arts provision was being run commercially and the sector was struggling. It was considered that better use could be made of vacant units. Better leadership and advocacy for this sector was considered necessary and a cultural ambassador was one suggestion provided. Reference was also made to more community uses within city centres again with vacant units providing opportunity to bring people back to the city and help maintain vibrancy. Issues around non-domestic rates for these types of uses were thought to need rectified.

5.58 On the wider issue of rates, these now need be adjusted to new rents and markets with some suggesting a move to profit-based rates for particular types of business. For many businesses they considered that when rates go back up to their original level they will no longer be sustainable. The implications around increasing levels of VAT (from 12.5-20%[24]) was also considered to be unaffordable in the current trading environment.

SUMMARY

5.59 Consultees were in agreement that the Glasgow city centre property market was in a positive place pre-pandemic and was attracting a lot of new development across a range of sectors, although retail had begun to react to rising online shopping. BTR was emerging as the next major development cycle and a larger and more mixed city centre residential sector (tenure and demographics) was considered to be desirable. Positive trends were noted in public investment including in public realm.

5.60 Consultees note that following the work from home guidance many office occupiers are now moving to a more hybrid model and reducing their city centre floorspace, although the Grade A office market remains strong. Retail and leisure were hit particularly hard by lockdowns and tiered protection restrictions and there may be further difficulties for many businesses when the Government fully withdraws financial support to businesses. Diversification of property types and reuse of surplus commercial premises will be required, allied to a better city centre environment and management of that environment are seen as required to help enable this. The public sector will require to provide resources and coordination to deliver this. Residential use in particular is desirable but will require planning and regulatory support, greater intervention/ incentives and an environment suitable for a more mixed demographic. Improved branding and the importance of events, arts, culture and community uses in creating city centre vibrancy were also highlighted.

[24] The rate of VAT was reduced to 5% in July 2020 as part of the government's package of measures to help businesses during the COVID-19 pandemic. Finance Act 2021 includes clauses to increase the rate to 12.5% between 1 October 2021 and 31 March 2022, with the standard rate of 20% due to return from 1 April 2022.

06

CASE STUDIES

INTRODUCTION

6.1 This section details six Glasgow city centre case studies across a mix of location, scale, ownership and market sectors. The case studies are selected to show market opportunities, challenges and solutions. The list, as agreed with the client Steering Group is:

- McLellan Works, 274 Sauchiehall Street - former department store block with McLellan Galleries behind. Full refurbishment to provide SME (small to medium enterprise) and co-working space on upper floors and retail/commercial on the ground.
- 249 West George Street, corner of Blythswood Square - vacant former office block with planning permission for an aparthotel which the developer has paused to reconsider the optimum use.
- 101-107 Buchanan Street - vacant offices above Dune outlet to be converted to 6 flats.
- Bell Street - former B-listed derelict stables block renovated to provide 54 affordable housing units.
- Love Loan - large scale mixed use urban regeneration project incorporating office, hotel and residential also tying in with public realm works.
- Sauchiehall Street area major buildings cluster - to reflect some of the long term vacant buildings on that street.

MCLELLAN WORKS, 274 SAUCHIEHALL STREET

6.2 The former Breckenridge House is located at 274 Sauchiehall Street between its junctions with Dalhousie Street and Rose Street. It is an attractive sandstone building arranged over 5 floors including basement. The building was originally constructed in 1856 and is Grade B listed. The building is contained within the Central conservation area.

6.3 The McLellan Galleries, an original section sitting at the back of the larger McLellan Works, was originally constructed to house the art collection of Archibald McLellan before becoming home to the Glasgow Schools of Art in 1869. In 1899 when Glasgow School of Art moved its main functions to the Mackintosh Building the space was retained for exhibitions and to host events. It continues to be occupied by Glasgow School of Art.

6.4 The remainder of the building offers retail space on the ground floor and basement, with office accommodation above. The department store Treron et Cie opened here in 1904 and operated from the forefront of building and was one of the City's most glamorous shops at the time. However, as time progressed the building became less popular, suffered a fire in the 1990s and gradually become neglected and completely vacant.

6.5 It was purchased by Bywater Properties in 2017 who submitted a planning application in 2018 which sought to a transform the building into SME and co-working space on first, second and third floors and retail space on the ground and basement. Following approval of the planning application, the £4 million works programme commenced in 2019 and completed in Summer 2021. The development delivers c. 45,000 sq.ft. of space and continues to serve as an entrance to the McLellan Galleries.

6.6 During the re-development of the building, particular attention was paid to improving its green credentials which resulting in its EPC rating improving from a D to a B. Improvements included EV chargers in the basement, Green Leases which include commitments around renewable energy, monitoring of energy use and recycling etc. and an Occupier Guide. Bywater Properties has also used remanufactured furniture and fitout in its landlord areas and encourages tenants to follow this approach.

6.7 Further complementing the works to the building, public realm works also took place between Charing Cross and Rose Street, as part of the £7.2 million Sauchiehall Street Avenues project, led by the Council. These works have seen the creation of a multifunctional service verge and two-way cycle lane on the northern side of the street. The pavements were widened to free-up space for pedestrians and licensed tables and chairs on both sides. In addition, 28 new trees were planted along with new bus shelters, cycle stands, seating, smart city infrastructure and improved street lighting. The works were completed in 2019.

6.8 The redevelopment has proved extremely popular with the creative SME sector in a location which is outside of the traditional office district. The interior was 'defurbished' and stripped to leave exposed ceilings and services with basement level bike storage, showers, lockers and changing facilities added. Office space is designed to offer flexibility to a range of occupiers from growing start-ups to established businesses. The building also offers smaller offices and studios on a fully furnished, ready to go, basis.

6.9 The developer has described a symbiotic relationship with the Glasgow School of Art (its rear neighbour) whereby the office spaces gain creative energy from the world-renowned institution, while the art school gains a route through the building and a valuable front-door presence to Sauchiehall Street. The list of current tenants includes:

Tenant	Operation
Glasgow School of Art	Education
Experian	Finance
Trailfinders	Travel Agent
J F Hillebrand (Scotland) Ltd	Distribution
Mental Health Foundation	Charity
Black Sheep Coffee Co	Coffee Shop
All The Anime	Anime Distribution
CeX	Video/ Music Entertainment
Heb Homes	Architects
Sprigg	Coffee Shop
British Heart Foundation	Charity
On A Wall Near You	Art Shop
Loud Mouth Media	Marketing Agency
Oberlanders Architects	Architects

249-261 WEST GEORGE STREET

6.10 249-261 West George Street is a corner building situated on the south side of West George Street at its junction with Blythswood Street overlooking the gardens at Blythswood Square. The property is not listed but lies within a Conservation Area.

6.11 The building extends to approximately 32,343 sq.ft. across ground and 6 upper floors and provides 20 car parking spaces. The L-shaped building was redeveloped in the mid-1980s, providing flexible office accommodation.

6.12 In 2012, Carrigmay Developments purchased the property at which time it was let in its entirety to Crawbird Trustee Ltd trading as the legal firm DLA Piper Scotland LLP. The tenants sub-let the entire 1st and 2nd floors to Creative Scotland. DLA Piper closed its Glasgow office in 2013 and the lease expired shortly thereafter. The building has been fully vacant since.

6.13 In 2016, based on the designs created by Mosaic Architects, the owner submitted a change of use application from office to a 100-bed hotel including bar/restaurant. This included a single storey roof extension and rear extension with external terrace. The change of use was approved in early 2017. A further planning application was submitted in 2017 to take account of modified designs which would now include a full height extension to the rear of the proposed hotel which would add an extra 10 rooms to the original proposal. This application was made in conjunction with the owners and Adina, a brand of Australia based TFE Hotels who operate 30 aparthotels across Australia, New Zealand and Europe and planned to operate their first UK aparthotel in the property. The revised plans for the 110 bed hotel were approved in late 2017.

6.14 It is our understanding that the interest from Adina has since fallen away and to date any redevelopment works have yet to commence. The property was purchased by Courie Investments in November 2021. In normal times, the planning permission would now have lapsed (3 years after consent) however as a result of Scottish Government pandemic interventions in the planning system, the new owner has up until 31st March 2022 to either implement or renew the aparthotel consent.

6.15 In January 2022 it was announced that a £2.5m bridging loan had been secured against the property. The 24-month loan will be used as a holding facility by Courie Investments while they review a number of redevelopment options for the building including implementation of the existing aparthotel consent or redevelopment for continued office use.

101-105 AND 107 BUCHANAN STREET

6.16 101-105 and 107 Buchanan Street forms part of a larger building which is located on the corner of Buchanan Street and Gordon Street. The building is a four storey blond sandstone Category B listed building dating from approximately 1826. 101-105 is part of this building and 107 is the common close leading to upper floors. The building is also part of the Central Glasgow Conservation Area.

6.17 In 1892, John Lizar moved his optometrist business from the Merchant City to Buchanan Street. Lizars (now Black & Lizars) traded from 101 Buchanan Street until 2007. During this period an internal stair was installed linking the ground floor of 101 Buchanan Street to the first floor of 107 Buchanan Street, the two ground floor shop units of 101 and 105 Buchanan Street were combined and an internal stair installed linking the first and second floors. There is limited information on the third floor and attic spaces. It is understood however that Lizars utilised some of the third floor space and that the other occupiers at this level (William Webster jewellery manufacturers and repairers) occupied the premises for at least two generations. Several other historical alterations to the building have resulted in a somewhat complex internal arrangement.

6.18 In 2007, TCS Freehold Ltd purchased the building from Lizars. The shoe retailer, Dune has leased the whole of the property since 2012 however they effectively only use basement, ground and first floors and partially use the second floor. The third floor and attic levels remain vacant.

6.19 TCS Freehold Ltd have a long term view and desire to ensure that their buildings are maintained. Various uses have been considered along with their potential impact upon the fabric of the building. The key issue has been access. The owner considered that without the benefit of lift access the upper floors cannot compete with the offer elsewhere in the city centre for commercial use. However, residential flats accessed off a common close/stairway with retail uses at ground level is more palatable and has a strong history in Glasgow. The owner also considered the physical alterations required to the building to create flats are also relatively minimal in comparison to the high level of mechanical and electrical services that tend to be associated with other types of uses.

6.20 A planning application was granted in 2017 for the conversion of the second and third floors into 5 flats. This included 1 flat with 1 bedroom, 3 with 2-bedrooms and 1 with 3-bedrooms. This application has since expired and economic changes as a result of the pandemic provided a fresh opportunity for the owner to negotiate with its retail tenant and bring the upper levels back into full usage.

6.21 Following these negotiations, a planning application was submitted and approved in 2021. The new proposal includes the conversion of the first, second, third and attic spaces to provide 6 flats. This includes 1 flat with one bedroom, 3 with two bedrooms and 2 with three bedrooms. Dune will continue to operate from the ground and basement floors.

6.22 As part of the works, the existing windows will be replaced as many are in very poor condition, no longer open or are boarded up. As a result of the listed building status, replacements will be quality timber sash and case in style. The provision of modern services within the aesthetics of listed buildings can be complicated however following advice flues for boilers and extract have been routed to exit the building on the rear elevations. A sprinkler system is proposed and an automatic opening vent is proposed at roof level at the head of the common stairwell. These measures should assist the proposed development to be considered equal to current standards for fire safety.

6.23 Given the location of the development and its excellent nearby transport links, the proposed development is car free and no parking is included. A designated space for storing bikes will be provided.

6.24 Gordon Lane will be gated off and become the location for refuse storage.

BELL STREET STABLES

6.25 Bell Street Stables is located in a prominent position within the Merchant City and was built in 1896 to house Glasgow Cleansing Department's horses and equipment. Carts were stored on the ground floor with stables on the upper floor. The original plans indicate that the pend was flanked by foreman's offices, above which were general stores and a drying room and at 2nd floor a boiler house and saddlery. At the 3rd floor were living quarters. The upper floors of the south west block originally accommodated a granary and hay loft. Horse-drawn vehicles were the main method for refuse collection and street cleaning until after WWII.

6.26 The building was altered in 1955 to additionally serve the police force until the early 1970s and was then used as a depot for Glasgow City Council's Land and Environmental Services. Before the restoration it had been derelict and was on the Buildings at Risk Register. It is Grade B listed.

6.27 Following a feasibility study, the building was transferred by the Council to Glasgow Housing Association, part of Wheatley Group, in 2015 with the intention to create much needed city centre affordable housing. Plans for the property were to provide 52 one and two-bedroom Mid-Market Rent flats. Mid-Market Rent generally targets people in work on low to moderate incomes. The rents are set lower than private market rent but higher than social rent.

6.28 The renovation was cost c. £7m with £2m received from the Scottish Government and the Council.

6.29 The renovation was designed by Collective Architecture and sought to retain the remarkable circulation system and courtyard as the key elements in the history and character of the building. A car free development was agreed with the planning department early on to preserve the courtyard and the layouts developed to help retain the large volume of the horse ramp. Gangways were re-purposed as access balconies and lift access was sympathetically incorporated. The space has now been transformed from a noisy industrial space to a quiet sheltered residential space with clear links to its industrial past.

6.30 Construction commenced on site in 2017 and was completed in 2019. The completed homes are managed by Lowther Homes, also part of Wheatley Group. The development has won a number of design awards.

LOVE LOAN

6.31 The currently under construction mixed-use project at Love Loan occupies most of a city centre block at George Street, North Frederick Street, Martha Street and John Street. It overlooks the east corner of George Square and includes the immediate neighbours of Queen Street Station, the City Chambers and the University of Strathclyde.

6.32 The site was previously home to a number of Glasgow City Council departments and was known as the George Street Complex. It consisted of a collection of disparate and contrasting buildings including the former Inland Revenue building at 280 George Street (B listed) and the Parish Halls at 266 George Street (A listed). The site also includes an 80-year old gap site and assorted small storage buildings on Martha Street. It is part of the Glasgow Central Conservation Area.

6.33 The buildings had been vacant since 2013 and were deemed surplus to requirements by the Council. Following a competitive process, the site was acquired by the Chris Stewart Group in 2015.

6.34 A planning application for the site was submitted in 2016 with proposals for a mixed use development, including residential units/serviced apartments/student accommodation, hotel, office, retail, food and drink, and commercial uses and associated works, with demolition of unlisted buildings and alterations to listed buildings. In summary, it comprises the conversion of the 2 listed buildings to serviced apartments with ground floor commercial spaces, the construction of an 11 storey hotel (245 beds) on the George Street/John Street gap site and the construction of a 20 storey student accommodation block on Martha Street. The original 3 storey building to the rear of Parish Halls will be retained and converted to offices. The development also includes an enlargement of the service lane behind Parish Halls (to be called Love Loan when completed) which will be fronted by new ground floor commercial retail, leisure and food and drink uses on the ground floor and a new public plaza. The application was approved subject to conditions and agreement of the Section 75 in 2017 and work commenced in 2019.

6.35 The Chris Stewart Group is committed to a full restoration of the complex however the site presented a number of challenges with the Development Appraisal in deficit around the listed buildings and heritage elements of the scheme. In addition, extraordinary costs in some areas placed further pressure on the appraisal. In mid-2020, in the midst of the pandemic, the Chris Stewart Group commenced discussions with the Council, Scottish Futures Trust and other agencies to review the market and financial pressures on the project and consider options for funding support. The areas targeted for support included:

- Public realm works (the new pedestrianised lane, the plaza fronting Martha Street, the landscaping of the university car park, the canopy over part of the lane, terraces and pavement works)
- Enabling works (demolition, piling abnormals, Network Rail costs)
- Infrastructure works (2 substations, increased grid resilience requirement imposed by Scottish Power, SUDS)
- Deficit funding (loss of commercial pre-let tenant)

6.36 Having reviewed the scheme, the only element eligible for Council support was identified as the public realm works as those generate public benefits. £648,000 of City Centre Strategy funding has been allocated to the scheme. While this is not the first time that a developer has been supported through the City Centre Strategy, it is the first time that a grant component has been required. Generally, support to developers to date has related to an extension or change to the scope of public realm works which are adjacent or near to a major development. Normally, this can be accommodated within Council contracts, and no grant is provided to the developer. In the case of Love Loan, the lane is in private ownership. Accordingly, unless the Council wishes to adopt the lane, the only mechanism for supporting the public realm works is through a grant to the developer. The grant mechanism therefore leaves the lane in the ownership of Chris Stewart Group with the associated ongoing maintenance and lifecycle responsibilities. Without this grant funding there would have been a significant risk on the delivery of the full scheme. Chris Stewart Group will have to demonstrate community benefits and is expected to ensure that the public spaces at Love Loan are accessible to all.

6.37 In November 2021, it was announced that a 136-unit build to rent block will now replace the planned 272 room student accommodation on Martha Street.

6.38 In February 2022, it was announced that the Chris Stewart Group has signed a Joint Venture with the Cheval Collection to open the first property under its My Locanda brand in Glasgow. The 168 serviced apartments are due to open during the first quarter of 2024.

SAUCHIEHALL STREET – MAJOR BUILDINGS CLUSTER

6.39 Although commonly associated with the city centre, Sauchiehall Street is over 1.5 miles in length. At the east end it adjoins Buchanan Street and Buchanan Galleries and in the west it stretches through Charing Cross and into the West End finally meeting Argyle Street in front of Kelvingrove Park and Kelvingrove Museum. It is one of the main shopping streets in the city centre of Glasgow, along with Buchanan Street and Argyle Street (the 'Golden Z)'. It is pedestrianised in the east end up to its junction with Rose Street. It is part of the Central and Park Conservation Areas.

6.40 At its height, from the 1880s to the 1970s, Sauchiehall Street was known as one of the most famous streets in Glasgow, and known internationally, due to its panoply of entertainment venues, galleries and high quality stores. In the 1980s and 1990s, purpose built retail accommodation arrived at scale in Glasgow with the addition of St Enoch Centre and Buchanan Galleries causing the retail footprint to contract into a smaller area. Benefitting from its large student population, the west end of Sauchiehall Street became more synonymous with restaurants, bars and student-orientated clubs with retail contracting into the east end, closer to the city centre. However, the steady growth of online shopping has further undermined retail performance and reduced the amount of floorspace required on the street, and the pandemic has accelerated this trend. Meanwhile, some parts of the leisure sector – for example bars and casual dining – expanded rapidly pre-pandemic but have been particularly affected by lockdowns and tiered protection restrictions. The result for Sauchiehall Street is now increasing vacancies, deteriorating buildings and stalling re-development schemes.

6.41 The retail vacancy rate along Sauchiehall Street has grown from 2.6% in Q1 2009 to 14.8% in the current quarter (Q1 2022). In Glasgow city centre as a whole this rate is 6.7%. As noted in Section 4, this vacancy rate does not include larger buildings which are being considered for reuse; notable examples here include:

6.41.1 Former BHS, 67-81 Sauchiehall Street. BHS vacated the premises in 2016. The property has remained vacant since then and is currently in a poor state of repair. It has frontages on Sauchiehall Street, Renfield Street and Bath Street and therefore occupies a prominent position at the east end of the street. A planning application for mixed use development approved in 2017 sought to include a 12 storey office development with retained commercial and retail space on the ground floor and improved public realm, however the development did not progress due to viability problems. In 2021, a planning application was approved for the sale of both 'food and non-food items' on the ground floor but it is understood that this interest has also now fallen away. The property is owned by Coleby Investments and remains one of the best redevelopment opportunities on the street.

6.41.2 92 - 106 Sauchiehall Street. Following a fire in 2018, this entire block had to be demolished. It was previously home to Victoria's nightclub as well a number of retailers including Holland & Barrett, Greggs and Specsavers. It remains as a gap site.

6.41.3 Former Watt Brothers, 119-121 Sauchiehall Street. This historic building has lain vacant since 2019 when Watt Brothers went into administration. It was reported in 2020 that the building had been bought and a mixed use development was planned with hotel and residential accommodation the most likely options. However, no planning application has been submitted. The building is Grade B listed.

6.41.4 Savoy Centre, 140 Sauchiehall Street. The site owner Castleforge Partners has instructed a number of minor interventions in recent years, including change of use of the former HMV store (to restaurant) and upgrading of the Savoy 'tower' office accommodation.

6.41.5 The Sauchiehall Building, 165 Sauchiehall Street. Formerly known as the Sauchiehall Centre, the property is located on the edge of the prime pedestrianised section of the street. Key tenants include Primark, TK Maxx, WH Smiths, Sports Direct, Superdrug, PureGym and QPark. Acquired by KKR and Quadrant in 2015, the owners initially sought to maintain the long income and attract new operators through re-gearing leases and upgrading the building. Planning consent was received for the 2 vacant corner elements of the building with change of use to provide for 3 contemporary restaurant occupiers. The property was acquired in 2019 by 90 North and is a prime example of what may be achieved where the block is under single ownership and a cohesive asset management plan is carried out.

6.41.6 172 Sauchiehall Street. In January 2022, Marks and Spencer, the current owners of the building, confirmed they would close their branch on the street in April 2022. The retailer attributes the closure to changing shopping habits. The Sauchiehall Street branch was the first in Scotland with an in-store café. It retains the frontage of the art deco building that opened in 1935. Future intentions remain unknown at the time of writing although the site owner has noted in recent press that they will pursue a complementary alternative use.

6.41.7 218-224 Sauchiehall Street. The former Dunnes store has been on the market for some time and has fallen through with a hotel developer. There could be an extended development angle with the adjacent former Littlewoods store at 236 Sauchiehall Street, although this is under separate ownership and complicated with Tesco in occupation of the ground and basement accommodation.

6.41.8 O2 ABC, 286-326 Sauchiehall Street. Originally constructed in 1875, the building was renovated many times in its lifetime and largely rebuilt in the 1920s to become a cinema. In the early 2000s it was renovated again to become a music venue and hosted regular live music performances and nightclub parties. The building was extensively damaged by fire in 2018 which spread from the adjacent Glasgow School of Art's Mackintosh building. Proposals for student housing for the site were rejected and an application has been made for demolition. At the time of writing the building still remains in extremely poor condition, blighting that part of the street. Following examination of the options, the Art School plans to faithfully restore the Grade A Mackintosh building however it is unlikely work will start on site before 2026 and complete before 2032.

6.41.9 520-522 Sauchiehall Street. 520 Sauchiehall Street is Grade B listed and currently on the Buildings at Risk Register. It was a former piano showroom then cinema then bar/nightclub but has been vacant for a number of years. 522 Sauchiehall St was a former bank however the premises have since been demolished and a gap site remains. Proposals have been submitted by Consensus Capital to develop 87 co-living units with ground floor commercial units. This would see the existing building demolished but the façade retained. The planning application is currently being considered by the Council.

SUMMARY

6.42 The selected case studies show across a range of assets at different levels of scale, opportunities and challenges associated with reuse and diversification of Glasgow city centre's property stock – in the context that such reuse is now expected to be required on an unprecedented scale.

6.43 The case studies offer a broad mix of lessons, including: the symbiotic relationship between urban realm investment and securing major mixed-use investment; the planning and design challenges of securing residential uses - and for affordable housing the financial gap to be bridged - but also the high quality of outcomes and car-free living; the requirement for patient capital in larger mixed-use schemes and for flexibility and renegotiation as markets move; and at a larger scale the potential concern across major vacant buildings that these chase the same markets for a single operator-led solutions.

07

DEVELOPMENT PIPELINE

INTRODUCTION

7.1 Sections 2 to 4 assessed Glasgow city centre's property market sectors. This section assembles the emerging future development pipeline based upon committed and proposed projects. It is the first, early attempt to understand how the commercial and residential market footprints may change post-pandemic. It is not the final picture as markets are only beginning to stabilise and set their new directions.

7.2 The pre- and late-pandemic total commercial market stock position for the city centre is set out in Table 16. This is the office, retail and leisure floorspace which is supplied to the market and can be readily measured by reference to floorspace. The total floorspace increased by 3% during the pandemic to 28.5 million sq.ft. due to the office development completions noted in Section 2. The occupancy rate fell from 93.6% to 90.2%, but would be lower if large vacant stores not currently trading were excluded. The balance of city centre stock as at Q4 2021 in addition to the 28.5 million sq.ft. of commercial floorspace is:

- 15,000 homes
- 9,200 hotel rooms (a rise of 806 during the pandemic)
- 5,900 student bedrooms (a rise of 737 during the pandemic)

Not included within this market assessment are the city centre's leading educational establishments, healthcare and emergency services, or cultural assets such as museums, theatres and galleries, historic buildings and places of worship. While no information on the performance of these has been collated for this report, public-facing venues and to an extent education were also heavily affected by the pandemic's restrictions, with a further, compounding effect upon city centre footfall and business.

TABLE 16: CITY CENTRE STOCK (Commercial – offices, retail, leisure)

	STOCK (SQ.FT.)	SUPPLY (SQ.FT.)	VACANCY RATE	OCCUPANCY RATE
Q4 2019	27.6 m	2.4 m	6.4%	93.6%
Q4 2021	28.5 m	3.0 m	9.8%	90.2%

Source: Ryden / CoStar

7.3 The development pipeline is assessed below using two principal sources:

- Planning consents and applications provided by Glasgow City Council and analysed by Ryden.
- Market intelligence held or collated by Ryden on specific proposals for buildings and sites.

The full development pipeline is presented in Appendix A.

Caveat: Development pipeline modelling at this late pandemic stage has a high degree of uncertainty: retail contraction was already underway pre-pandemic but has accelerated; hybrid office working is comparatively new and is still evolving; leisure, hospitality and events market stresses were not anticipated; and, in response, the capacity of the market to create and deliver backfill solutions across these buildings and sites is about to be tested on an unprecedented scale.

PLANNING APPLICATIONS

7.4 Glasgow City Council provided a list of planning applications received and/or decided upon between 1 January 2019 and mid-December 2021. Applications where a decision is pending are considered separately at paragraph 7.9.

7.5 A total of 656 planning applications were decided upon within this defined city centre area during the period. Of these 599 were full planning applications[25].

7.6 Of these full planning applications, 11 were **major**[26] applications. One of these was refused (for student accommodation at a site on Bridgegate). The remaining 10 were granted subject to conditions and are summarised in Table 17. By far the most active sector in terms of major developments has been hotels with 8 applications (1 of those as part of the mixed-use Candleriggs Quarter), however 2 of those have since revised their proposed uses. The applications also contain some student accommodation, Grade A and co-working office space, serviced apartments and one flatted residential development. A further 10 major applications where a decision is pending are identified at paragraph 7.9.

TABLE 17: MAJOR PLANNING APPLICATIONS (APPROVED)

PLANNING APPLICATIONS - MAJOR	CURRENT STATUS
18/03299/FUL 109 West Nile Street. Erection of **hotel** (Class 7) with associated Class 1, 2 and 3 uses.	Former Nile House. 183 bed hotel approved in June 2020. In September 2021 the hotel element was removed with revised plans for a mixed-use development including an aparthotel, student accommodation and co-working spaces. 
18/01217/FUL 163 St Georges Road. Demolition of existing buildings and erection of flatted **residential** development (65 units), two commercial units (Class 1, 2 or 3) and associated works	Site of former Arnold Clark garage. 65 flats with 2 commercial units. 
19/03393/FUL 178-186 Trongate/11 Hutcheson Street Demolition of building and erection of **hotel/aparthotel** (Class 7), retail (Class 1) and public house (Sui Generis) and associated works.	Hotel- led mixed use development. Former RBS bank 
19/03849/FUL 298 St Vincent Street Demolition of building and erection of **hotel,** bar and restaurant (Sui Generis) with associated works.	Artisan Real Estate development. Hotel development, 248 beds. The proposed operator, Vienna House, withdrew interest in August 2021 after the Covid-19 delay. A new application for 248 serviced residential units is pending 21/02121/FUL 
19/01694/FUL 4-8 Dixon Street Erection of **serviced apartments** with ground floor retail and roof top restaurant	204 room aparthotel with rooftop restaurant by Citihome. Coming 2023. 
20/00086/FUL Dale House 21 West George Street Demolition of unlisted building and erection of **mixed use** development comprising hotel/hostel (Class 7) with licensed bar, retail (Class 1), office (Class 2), food and drink (Class 3), leisure (Class 11) and public house (sui generis)	Hotel with retail space by Bloc Hotels 
19/00886/FUL Site at Osborne Street/ Old Wynd Erection of **hotel** with associated facilities and ancillary works.	138 bedroom by Dominvs Group 

[25] A property may have more than one application - this is the number of individual applications, not the number of properties.

[26] As defined in Scottish Planning Series Circular 5 2009: Hierarchy of Developments: 50 or more houses, or gross floorspace of more than 10,000 sq.m. (107,639 sq.ft.), or a site of more than 2 hectares.

18/03695/FUL Site at Renfrew Street/ Renfield Street Erection of **hotel** (Class 7) with ancillary bar / restaurant and associated works	Maldron Hotel, **opened August 2021** at Broadway Central 
18/02917/FUL Site Bounded by Robertson Street/York Street/ Argyle Street Demolition of listed/ unlisted buildings and erection **office** building (Class 4) with ancillary ground floor retail (Class 1)/ restaurant (Class 3) uses and associated vehicular access	Development of 270,000 sq.ft. Grade A office space for JP Morgan Chase. **Under construction** 
21/00997/FUL Site Bounded By Trongate/Wilson Street/Hutcheson Street/ Brunswick Street Erection of **hotel** (sui generis), including ancillary leisure, gym, event and business space, restaurant (Class 3), public house (sui generis), retail unit (Class 1) uses, together with associated access, landscaping, public realm, engineering/infrastructure	Candleriggs Square. Development by Drum Property Group and Stamford Property Investments. Work is now on site.  Construction of the first phase, the 500-room The Student Hotel, is now **underway**. Will also include 326 BTR units

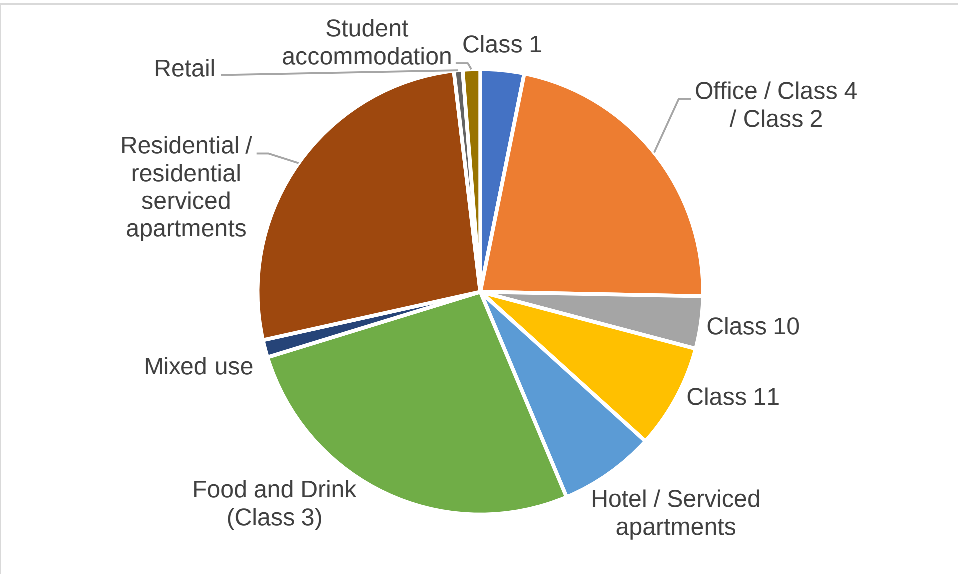
Source: Ryden / Glasgow City Council Planning

7.7 Of the 599 full planning applications, 582 were full **Local** applications (ie. falling below the thresholds for a major application)[27]. A further classification (by Ryden) to ascertain whether each of these is relevant to this study – i.e. involving the reuse or creation of floorspace / development rather than simply alterations to buildings or the like - totalled 182 applications.

7.8 Of these 182 applications, 24 were refused / deemed refusal (all of these were for change-of-use / conversion). A total of 158 local applications were granted planning consent, of which 144 were for change-of-use / conversion of an existing building, while 14 were for new-build development.

7.9 Figure 9 below shows the breakdowns of new uses proposed by these 158 planning consents. The largest sectors were Food and Drink (Class 3) (predominantly the change of use from retail to restaurant, reflecting the contraction of the former), and residential/ serviced apartments, each with 42 applications. The next most common local consent is for service use in the forms of offices/ Class 2/ Class 4 with 35 cases. The 14 new-build / erections are shown in Table 18, along with some examples of notable building conversions.

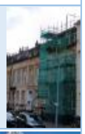
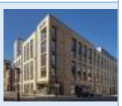
FIGURE 9: PROPOSED NEW USES (Local Planning Consents)



Source: Glasgow City Council Planning Department / Ryden

[27] The remainder were not classified

TABLE 18: LOCAL PLANNING APPLICATIONS (APPROVED) – NEW BUILD / ERECTION AND NOTEABLE CONVERSIONS

PLANNING APPLICATIONS - LOCAL	CURRENT STATUS
18/00182/FUL Car Park 16 Watson Street Erection of **residential** development (46 units), office and associated works.	Apartments by Glasgow Housing Association for mid-market rent. **Now developed** 
18/00371/FUL Granite House 31 Stockwell Street Erection of rooftop extension to existing building for **office** purposes (Class 4) with associated external alterations. Renewal of consent 08/00493/D	
18/02546/FUL Site Bounded By Little Dovehill/Great Dovehill/ Bell Street Erection of flatted **residential** development (32 units) with associated access, parking & amenity	Apartments by Glasgow Housing Association for mid-market rent on a vacant site. **Now developed** 
18/02554/FUL 15 Kent Road Erection of **residential** development (20 units) with associated parking and amenity space	7-storey BTR development, Mitchell Apartments, by Kelvin Properties **now developed**. 
19/00237/FUL Site Formerly Known as 331 Bell Street Erection of (Class 1) **retail** unit with associated landscaping, car parking and formation of new access.	Retail unit as part of a wider residential development. 
19/00668/FUL Site Bounded By Kyle Street/Stafford Street/ Calgary Street Erection of mixed use **student accommodation** development with retail / commercial use and associated works	Nido Boyce House. Former Watson Printers land. 401 bedspace student accommodation by Watkin Jones Group. **Built** 2019 
19/01167/FUL 26 Woodside Place Demolition of extension and erection of 2 storey mews **dwellinghouse**.	**On site** 
19/01615/FUL Site Formerly Known As Holiday Inn 177 Bothwell Street Erection of **office** development including associated car parking and public realm works	New-build 313,000 sq.ft. office by HFD Developments **nearing completion.** Secured pre-lets to Virgin Money, AECOM, CBRE and BNP Paribas 
19/02110/FUL Site Formerly Known As 31 Dunblane Street Erection of **student accommodation**, access and associated works, to include demolition of existing building	Development by Soller Real Estate. Known as Base Glasgow. Opened in 2019. 301 beds. **Complete** Managed by Homes for Students 
19/03291/FUL 39 Ropework Lane Demolition of public house and erection of **serviced apartments** (18 units).	Former Annie Millers pub. 
19/03636/FUL Site At Renfrew Street/ Renfield Street Erection of **office** development with ancillary works.	**Proposed** development of Broadway 2. 100,000 sq.ft. office space. 
19/03663/FUL Site Bounded By Trongate/Wilson Street/Hutcheson Street/ Brunswick Street Erection of **hotel** (sui generis), including ancillary leisure, gym, event and business space, restaurant (Class 3), public house (sui generis), retail unit (Class 1), together with associated access, landscaping, public realm, engineering/infrastructure	See **major** applications above
20/00594/FUL Glasgow Metropolitan College 60 North Hanover Street Erection of **mixed use** development consisting hotel/	**Not progressed** as yet 

serviced apartments (Class 7/ Sui Generis), ancillary retail (Class 1), professional services (Class 2), restaurant (Class 3) and public house (Sui Generis) with associated landscaping, infrastructure and parking. External alterations with use of vacant college building (Class 10) as office (Class 4) and demolition of podium building	
20/00994/FUL 1-3 Martha Street/63-77 John Street/40 North Frederick Street/266-280 George Street **Mixed use** development, including residential units/serviced apartments/ student accommodation, hotel, office, retail, food and drink, and commercial uses and associated works, with demolition of unlisted buildings and alterations to listed buildings	George Street Complex/ Love Loan by Chris Stewart Group. 245-bed hotel for Marriott **under construction**. See case studies in Section 6. 
20/02993/FUL 55 West Regent Street Use of offices (class 2) as **96No. serviced apartments** (sui generis) with 3 storey rear extension.	An application is **pending for conversion** to 96 serviced apartments. Building is currently for sale. 
19/01731/FUL 134 Wellington Street Use of former tribunal court (Class 10) /offices (Class 4) as **hotel** (Class 7), includes external alterations	**Conversion** of former 31,880 sq.ft. Wellington House into a 98-bedroom luxury boutique hotel. 
19/01793/FUL / 19/03358/FUL Pegasus House 375 West George Street Use of existing offices as **hotel**, including first floor extension and repairs with ancillary uses and works	**Re-development** of 59,245 sq.ft. office into 179-bedroom Sandman Signature Hotel 
19/03682/FUL 250 St Vincent Street Use of office as **hotel** (Class 7) with ancillary bar/restaurant, external alterations and erection of upper three storey extension.	**Conversion** of 49,250 sq.ft. vacant B listed office back to use as a 149-bed Meliá 'Innside' hotel.  
19/01035/FUL Dalian House 350 St Vincent Street Use of offices as **residential** flats (67 Units) and associated works.	**Conversion** of former 50,960 sq.ft. NHS Glasgow HQ. Proposals changed in January 2022 to 92 flats for private rent instead of the 67 apartments for sale. 

Sources: Glasgow City Council Planning Department and Ryden

7.10 In addition to the planning applications noted above Glasgow City Council provided a list of outstanding applications as at January 2022. A total of 100 applications were <u>awaiting a decision</u>. Of these 53 were assessed as not relevant to this report. Of the remaining 47 applications, 10 are Major applications, 35 are Local applications, and 2 have no classification. These 47 applications comprise:

- 5 residential-led mixed-use developments
- 8 residential developments
- 7 serviced apartment schemes
- 6 hotels
- 12 Class 3 restaurant / hot food
- 6 offices
- 1 student accommodation
- 1 Class 8 (clinic)
- 1 Class 11 (nightclub)

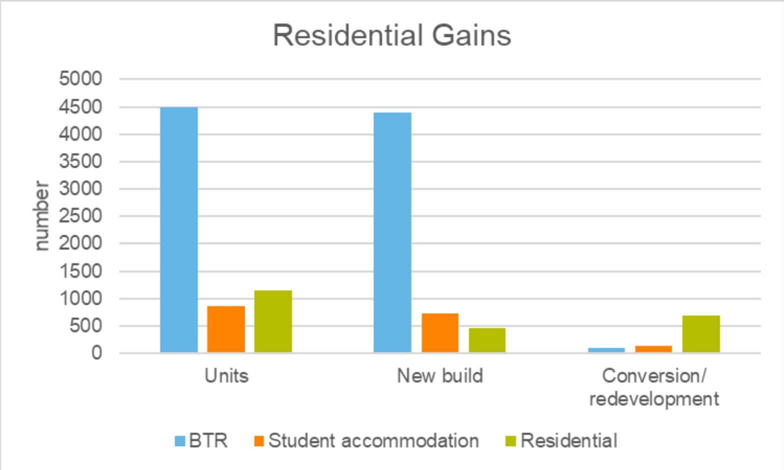
7.11 Sixteen are new-build proposals, while the remaining 31 are change of use / redevelopment / conversions.

7.12 The major applications comprise 1 hotel (conversion), 1 office (new build), 4 residential led mixed-use developments (3 new-build, 1 conversion), 2 residential developments (new build), 1 serviced apartment (new build) and 1 PBSA (conversion).

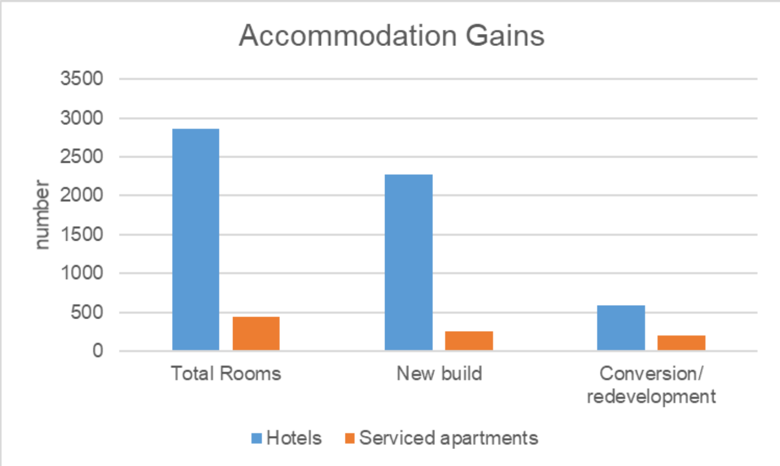
DEVELOPMENT PIPELINE

7.13 A long list of 121 development pipeline proposals is at Appendix A. These comprise confirmed planning applications (both consented and awaiting decision) as above along with developments known to the market for which data has been assembled by Ryden. As noted in the caveat to this section, the extent to which this pipeline could be regarded as firm and committed is reduced in these late-pandemic circumstances compared with normal market conditions.

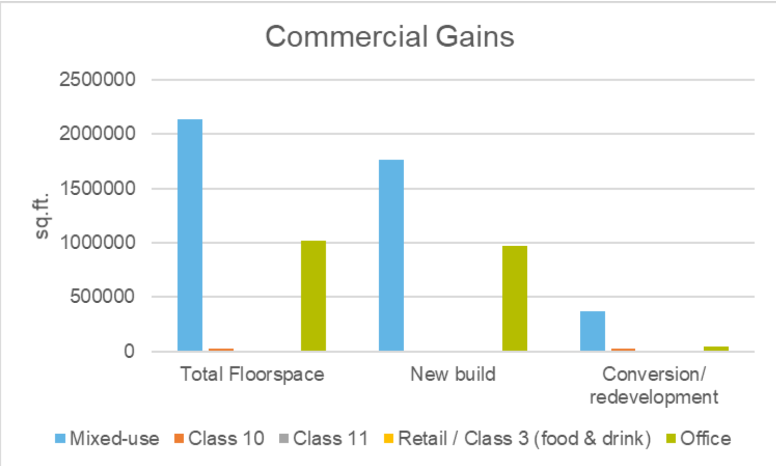
7.14 Potential **residential** gains listed in Appendix A (for those proposals with known sizes) total 47 schemes and 6,508 units. This is a substantial pipeline which may well provide an early signal of a tack to residential formats post-pandemic. Notable however are the fact that 86% (5,580 residential units) are new-build while 14% (928) are conversions/ redevelopments. This is because the pipeline to a large extent is BTR (69%) or student accommodation (13%), i.e. operator-led formats. This confirms a continued strong skew towards site development for new-build operator-led formats (which are much more likely to be fundable) and some notable examples but limited market scale in terms of conversions of existing stock to residential use.



7.15 Potential **accommodation sector** gains (again for those with known sizes) total 33 developments, comprising 23 hotels (2,863 rooms) and 10 serviced apartment schemes (442 rooms). Again the majority are new build although there are examples of proposed conversions too. The recent hotels development cycle, pandemic challenges faced by the accommodation sector, and early examples of proposals being revised, suggests that this pipeline may not be built-out on that scale.

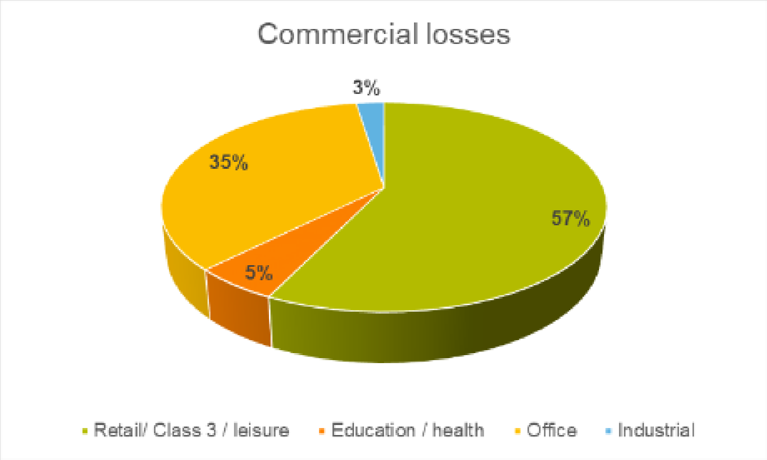


7.16 Potential **commercial** floorspace gains total c.3.2 million sq.ft. Mixed-use developments making up the majority of floorspace (2.14m sq.ft.) followed by office developments (1m sq.ft.). Again the majority are new-build developments. The office development pipeline does not include office-to-office refurbishments (229,442 sq.ft.), nor does it include 3 major new build office schemes nearing completion identified in Section 2 (for JP Morgan, GPU and Student Loans at Buchanan Wharf



75,000 sq.ft.). The 42 change of use applications to Class 3 Food and Drink are not shown here as those are changes within the commercial sector.

7.17 Potential loss of floorspace totals 2.42 m sq.ft. The majority of potentially lost space is in the retail/ leisure / Class 3 sector (included Buchanan Galleries) in 27 properties; followed by offices with 35% of lost space (this does not include office space which will be refurbished into offices eg. 50 Bothwell Street and 200 Broomielaw). In addition 1 hotel with 102 rooms will be lost, alongwith 11 vacant sites / car parks.



7.18 Some developers have changed their plans recently. This may be for normal commercial reasons or may have been exacerbated by the market changes wrought by the pandemic. Selected examples are noted in Table 19. All concern revisions to hotel and residential proposals.

TABLE 19: CHANGES TO DEVELOPMENT PROPOSALS

DEVELOPMENT PROPOSALS PRE-PANDEMIC	REVISED DEVELOPMENT PROPOSALS
Nile House, plans for hotel	Hotel plans removed and replaced with a mixed-use development
236-246 Clyde Street, plans for student accommodation	Now to be a Virgin Hotel
298 St Vincent Street, plans for a 248-bed hotel	Now plans for 248 serviced residential units
George Street Complex / Love Loan was going to have 272 room student flats	Now plans for 136 build to rent development
College Street Goods Yard previously secured permission for homes and student accommodation by Get Living	Now plans for 823 apartments for private rent, 687 student rooms and 4,425 sq.ft. for small businesses, retail and leisure facilities.
Dalian House, plans for 67 private flats	Now plans for 92 PRS flats
High Street. Get Living had consent for 700 BTR units and 99 student homes in 2018	Now proposals for reimagined 800 BTR units and circa 700 student homes with greater soft landscaping etc.

Source: Ryden

SUMMARY

7.19 This novel analysis of 121 proposals within the emerging development pipeline demonstrates a tack towards residential uses in the form of 6,508 new units – in scale terms this is predominantly new BTR developments with much less in terms of conversions, private sale or affordable housing. Accommodation proposals – mainly hotels but also some serviced apartments – would deliver more than 3,000 further rooms which given the recent completions highlighted in Section 4 and market conditions now seems unlikely. The office development pipeline continues to be active in the form of 1m sq.ft. of proposals within a mixed-use pipeline of 3.2 million sq.ft.; some of this is replacement stock offsetting a total loss of 2.4 million sq.ft. which will morph over time as proposals are worked-up then implemented or revised.

08

PROPERTY MARKET RECOVERY AND SUPPORT INTERVENTIONS

INTRODUCTION

8.1 **In early 2020, when the COVID-19 pandemic struck**, Glasgow city centre was ***getting ahead of change*** as set out in its strategy for 2014-19. The city centre was Scotland's premier retail, entertainment and events destination, home to its largest office market and a major UK learning destination. The city's clear and well-aligned investment plans for business, culture, education, visitors, civic, residential and public realm were attracting strong property market investment, particularly from developers looking to deliver new projects and bring additional economic activity. Some market cycles such as retail and leisure, hotels and purpose-built student accommodation (PBSA) had already begun to ease, while offices, innovation and education were strong and residential - especially build-to-rent (BTR) - was beginning to emerge.

8.2 **In early 2022, as the pandemic begins to recede**, the city centre is dealing with not only exceptional short term economic and market challenges, but also accelerated structural changes to commercial property markets. The development pipeline is shifting to residential and mixed-use with offices. The city centre's overarching strategic aims of diversification, city living and urban quality remain valid, but must get ahead of change faster now, to deal with newly-vacant, under-used and newly-vulnerable assets, alongside supporting continued appetite for quality new-build investment. This will require greater public focus, resource and intervention, and a risk-on approach as markets, sites, buildings, occupiers and proposals change more quickly than in the past. The post-pandemic period presents a **generational opportunity to accelerate change towards a more successful, diverse, pleasant and people-focused city centre**.

ACTION PLAN

PUBLIC POLICY

8.3 There is a pre-existing public policy focus on regeneration and city/town centres, for example through town centre first policies, or indeed direct investment in facilities, urban realm and transportation within centres. However, there are specific policy mis-aligments which affect the potential to recover post-pandemic:

8.3.1 **Public assets**. Glasgow city centre has a fragmented land ownership. Sites and buildings which become available are marketed for sale to the highest bidder. Waves of the same uses emerge across the city centre rather than fewer, larger, more mixed-use schemes. Mono-use will continue to be appropriate on many sites but the city centre also needs mixed-use schemes embracing new and heritage, commercial and residential, and private and public realms.

Crucially, the 'highest bids' approach is pursued not only by private owners but also most of the public sector (outside of key economic development agencies). The 'public good' delivered from asset sales is the price recycled into public services. The Scottish Public Finance Manual allows for wider public benefit to be taken into account, but it is not apparent that this happens regularly on the ground (*sic*). Previous work by Ryden for the Scottish Land Commission highlighted that the public sector owns up to half of the country's vacant and derelict land, including in the city centre (there are currently around 50) and plans will release further public land and buildings. According to draft NPF4, "*The purpose of planning is to* **manage** *the development and use of* **land** *in the long term* **public interest**": this must surely extend to public land and property when ownerships are fragmented as they are in Glasgow city centre. Using these public ownerships as the linchpins for regeneration is the means to influence greater and better outcomes for the city centre:

- Glasgow City Council and its public sector partners (potentially supported by Scottish Futures Trust as portfolio advisors) should **identify the full portfolio of <u>all</u> likely public buildings and**

site disposals in the city centre. These ownerships extend well beyond the City Council to include government agencies, public utilities and transport agencies, and emergency services. Planning around these ownerships should be aligned to deliver the best public interest outcome across price and wider benefits including placemaking, to avoid fragmented, competing ownerships coming to the market in an uncoordinated fashion. Scottish Government engagement and support will be required to overcome the locked-in book value assigned to future site disposals. Further considerations around these public assets could include the halo effect of current or future developments as a means to target interventions, and a special purpose vehicle drawing in patient capital say from Strathclyde Pension Fund.

- A revision to the **Scottish Public Finance Manual should be considered** to ensure that public sector land and property disposals take into account full triple-bottom line value (public value), alongside the commercial receipt. The principle being that a potentially lower cash receipt may be offset by better and more sustainable long term land use outcomes. To avoid a blanket application a presumption and test could be developed for this to apply in defined regeneration situations.

8.3.2 **Affordable housing**. A major uplift in city centre population is sought, potentially of the order of 20,000 people by 2035. BTR, small private conversions and future market-for-sale developments have the potential to deliver a significant proportion of that target. The wider city centre already has rented affordable stock at the likes of the Dundasvale estate and the Saltmarket tenements. The future development and conversion pipeline will also require to offer a range of tenures and price points. However, given the Council's limited assets to nominate for disposal to an RSL, the lack of an affordable housing policy, and the inability of those organisations to compete financially for sites and buildings, opportunities to provide further affordable housing in the city centre seldom arise.

Meanwhile, examination of affordable housing completions data suggests that very few are converted from vacant commercial premises. The affordable housing industry appears to be almost entirely a new-build one, albeit often on brownfield sites. The imperative to reuse sites and buildings is recognised in draft NPF4 and in Housing to 2040[28] which sets out proposals for 100,000 affordable homes to 2031/32, at least 70% of those for social rent, and a more directive approach in planning to "*developing vacant and derelict land, repurposing existing properties and locating homes closer to services and facilities within 20 minute neighbourhoods*". Mechanisms for delivering ownership and closing viability gaps will be critical, particularly in Glasgow city centre which has Scotland's largest volume of buildings to repurpose and the lack of market access for RSLs as described above.

8.3.3 **Taxation**. A full review of taxation on land and property is well beyond the scope of this report. The forms of taxation noted here are a mix of potential re-alignment and incentives which are clearly associated with post-pandemic market recovery and repurposing of vacant property.

- The question of **VAT** on the repurposing of property is a longstanding one, and the subject of industry and now Scottish Government lobbying. New-build housing benefits from paying nil VAT (the current rate is 20%), which is a mis-alignment with current policy priorities. Reduced or nil VAT is one means to close the viability gap for repurposing vacant property to residential use. Investigation is required as VAT on construction works for commercial to residential or of long term empty buildings already attracts reduced VAT, while conversions for RSLs are zero-rated, as is installing energy-saving measures.

- A more extensive review of land and property taxation was published recently by the Scottish Land Commission[29]. The report indicates tax's role in regenerating vacant and derelict land and town centres, including: non-domestic rates (NDR) relief and Council tax relief for development on long-vacant sites; NDR being applied to newly-vacant premises; and revising Land and Building Transaction Tax in relation to (supporting) diverse land ownership and high land values

[28] Housing to 2040 - gov.scot (www.gov.scot)
[29] Land Reform and Taxation report, Scottish Land Commission (January 2022)

associated with carbon. The report's Expert Advisory Group did flag the potential of VAT exemptions on retrofitting existing buildings to support town centre regeneration, however its scope was tax within the competency of the Scottish Government, which is already actively pursuing the issue of VAT reductions or exemptions for renovations and energy efficiency measures with the UK Government.

- Between 2007 and 2017 the tax benefits offered by Business Premises Renovation Allowance (**BPRA**) facilitated conversions in Glasgow city centre, for example 75 Waterloo Street's conversion from office to the Hotel Indigo. Vacant qualifying premises in disadvantaged areas received a 100% tax allowance on capital expenditure on converting, renovating or repairing a building to be used as business premises. Reinstating BPRA should be raised with the Scottish Government for onward discussion with HMRC. This could benefit the creation of small managed office space, innovation space and space for creative original producers. A potential further extension into residential rather than just business conversions could also be considered with the appropriate tax advice.
- Non-domestic rates (**NDR**) is continually evolving to provide support for the business economy while sustaining the tax base. The tax is progressive, down to a nil band for small businesses. In addition to traditional reliefs, a range of time-limited reliefs have been in place during the pandemic. From April 2022 a capped 50% relief will be available to the retail, hospitality and leisure sectors for 3 months. While the tapering of pandemic reliefs are to be expected at some point, it is likely that the rebuild of consumer-facing trade could take longer than July 2022 to recover. Footfall and performance should continue to be monitored in order to lobby for a possible further extension, and that moreover the cap (£27,500 ERV) may be too low for (often larger) city centre premises.
- Further devolution of NDR responsibilities to local authorities (of empty rates relief) from 1 April 2023 should in conjunction with existing powers be used to target interventions, while a shorter (3-yearly) revaluation cycle may align NDR more closely with rents. However, there are substantial shifts in the retail and leisure sectors in particular which will depress rents and require to be captured early to maintain proportionate NDR, and provide certainty for businesses rather than volatility.

OFFICE MARKET

8.4 Glasgow city centre's office market is restructuring. The net effects of increased hybrid working and a market requirement for ESG-compliant buildings is twofold: a continuing need for high quality new-build office development; alongside an increased rate of vacating older buildings which will require repurposing.

8.5 This will be a process rather than an event, governed by occupiers' businesses, their existing property commitments and their experiences of hybrid working. As one early guide, a long term expectation might be that 20% of the city centre office stock (c.3.5 million sq.ft.) requires to be repurposed. The balance of older offices – a further 20%+ of stock – would either continue in lower value office use or be capable of comprehensive refurbishment. That would lead to a smaller but more modern and productive city centre offices stock by the early 2030s. The current visible development of pipeline of c.1 million sq.ft. would provide the equivalent of around 7 years' new supply based upon recent build rates averaging 150,000 sq.ft. annually.

8.6 On an assumed average mix, the projected surplus office stock could yield c.2,500 residential units and 1 million sq.ft. employment, commercial and amenity space. The key Districts for this activity contain the most vulnerable office stock which is also the most ripe for repurposing: Blythswood and Sauchiehall (south) and Central (west).

8.7 The costs of repurposing will be substantial and long term. A highly indicative cost[30] and assumed intervention rate of 10% yields an annual public sector funding requirement of c.£4 million to catalyse repurposing of properties. The benefits would of this intervention would be an active, investing and diversifying city centre and related economic, social and environmental outcomes.

8.8 The city centre has a number of critical, niche employment sectors: industry, innovation and creative industries. Each of these requires a post-pandemic mapping and gap analysis to understand future needs and any related market or planning interventions.

RESIDENTIAL MARKET

8.9 The population increase sought by the CCLS – 20,000 new residents – is adopted here against the higher Districts base population of c.35,000 (including students) to indicate a target of 55,000 residents by 2035; this will require of course to be reviewed and revised or validated by the Council. These planned increases to the city centre population and the provision of a more diverse mix of housing face multiple market barriers.

8.10 The market analysis in Section 3 and the development pipeline in Section 7 indicate that Glasgow's city centre residential market is currently driven by two sectors: high quality new BTR accommodation (average size 364 units) and small flatted conversions for rent/let (average perhaps 10 units). Development of new private housing for sale is limited as is affordable or mid-market rent which tends to be in the inner east end. Meanwhile, residential use will often be the best repurposing option for surplus space, as it offers both diversity and scale (whereas commercial development is increasingly about large, purpose-built templates).

8.11 To achieve an additional resident population of 20,000 would require, for example, the completion of:

- 4490 BTR units at mean 1.28[31] inhabitants = 5,747 population (28% of this is under construction)
- 846 planned student housing beds = 846 population
- 1,171 other pipeline units at say 2 per household = 2,342 population

8.12 The gap to achieving an additional 20,000 population is 11,064 (say 11,000, which would be equivalent to c.5,500 market or affordable units). This assumes that <u>all</u> of the visible residential pipeline is built and occupied. There is appetite from landowners, landlords, funders, developers and RSLs to meet both demand and need in the city centre. A number of major opportunities have made significant progress since the CCLS was launched; notably however, these are mainly gap sites, rather than the more complex reuse of existing buildings. The implication is that the city centre residential pipeline will need to more than double, and reach into much more complex land (new-build) and buildings (conversions) situations.

8.13 A broad range of locations, sites and buildings are suitable for consideration for new residential uses:

- Conversion of surplus office space as highlighted above (indicatively c.2,500 units/ 5,000 population)
- Surplus retail space converted, remodelled or redeveloped (see below)
- Continuing major gap sites such as Broomielaw for mixed-use development with significant residential.
- The 'mutable spaces' capable of intensification identified in District Regeneration Frameworks (DRFs)[32]
- Regeneration will trigger further soft sites, for example the key development zones (KDZs) in the current draft north and east DRFs highlighted a number of these potential areas of change

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[30] Conversion costs £80 – 150 per sq.ft., mean £115 @ 3.5 million sq.ft. = c£402.5m. 10% over 10 years = c.£4m pa.

[31] BPF (November 2021) analysed 49 schemes which housed 15,887 residents in 12,404 homes indicating1.28 per unit. (https://bpf.org.uk/media/press-releases/build-to-rent-proves-affordable-in-largest-ever-resident-analysis/)

[32] Although the phase 3 DRFS cover only 4 of the 9 Districts – Cowcaddens, Townhead, Learning Quarter and Merchant City – the rest of the city centre includes the stock of office and retail space and Broomielaw masterplan also noted here.

8.14 A particular area of focus should be the quality cityscape south of Sauchiehall Street. As noted this is the weakest office market area and also has the greatest re-use potential. Plans for new city centre living should spread out from Blythswood Square to include the townhouses on West George Street, St Vincent Street and West Regent Street down to their junctions with Hope Street. The area would reconnect with the community in Garnethill and spread down to the M8. Enhanced public realm, traffic-calming and capping the M8 at Charing Cross would accelerate this change by rejoining the West End with the city centre.

8.15 The scale and potential pace of this rehabitation of the city centre indicates that the **CCLS should be fully updated.** Although the strategy is recent the underlying market analysis is 5-6 years old. In the interim, sites have progressed (as noted in the introduction to Section 3), market appetite particularly from BTR but also from house builders, private individuals and RSLs is becoming more evident, and of course market change is now hollowing out more spaces to repurpose than was anticipated. Key underpinnings of the CCLS such as the stock condition survey (dated c.2011-14) are ageing.

8.16 Achieving greater scale and pace, geographic breadth, and tenure and type mix for housing development in Glasgow city centre faces multiple market barriers. Fragmented ownership as noted above is one barrier, financial viability is another (especially for affordable housing), while regulatory barriers can affect conversions and some purpose-built templates, and provision of local community services and amenities is an essential task alongside and to entice developers and to serve new residents.

8.17 Both the reuse of existing buildings, and achieving a residential mix will require significant market intervention. The market intervention themes for city living are:

8.17.1 A **programmatic approach to planning and regulatory barriers**. A Council internal paper on conversion of upper floor offices to residential uses identifies the multiple barriers, including how these were overcome for individual buildings. The examples used are mainly above commercial uses along Bath Street, Renfield Street, Union Street, Dundas Street, Renfrew Street (ie. in Central and Blythswood Districts). This informative internal discussion paper should be updated, expanded and formalised, using the further examples in the consented pipeline in Section 7 here, and made public as a demonstration of solution-focused planning.

Crucially, single buildings of modest size require case-by-case attention (as is recommended in the CCLS). On the one hand this creates character, diversity and balance within the city centre while respecting heritage, but on the other hand it is incredibly resource-intensive, and does not achieve the planning certainty and economies of scale to help close viability gaps, reduce risk and support market value. Planning and regulatory clarity is required to support repurposing at pace and scale.

The issues associated with conversions are well documented in the Council internal paper, in the CCLS and in Ryden's work for the Phase 2 DRFs. In market terms (aside from viability) these may include the challenges of accessing and separating the ownership of low value upper floors, mortgage availability and the risk that granting access may affect future options. Assuming that there is a willing owner, then a suite of planning and regulatory influences come into play for residential repurposing, including installation of kitchens and bathrooms, fire escape, dual aspect and daylighting, front to rear access, ventilation, minimum privacy standards, environmental health, and conservation area and listed building constraints upon adaptations. The CCLS also notes deficiencies in local services such as schools and open space. This property market report cannot align all of those factors, but can note that they are being aligned case-by-case in Glasgow city centre at the moment, and at scale in other cities.

A replicable programme is required to deliver repurposing of vacant properties to residential use. While the candidate stock of buildings is large, the buildings are not unique and fall into clear categories such as Victorian mansions on prime frontages, townhouses, tenements and so on. This lends itself to planning and regulatory solutions based around archetypes (or templates) which can then be mainstreamed. Archetypes should also be tested for conversions to small managed business/innovation/maker spaces. The archetypes can also underpin viability tests and funding requirements, leading to intervention rates for each (as are used in heritage projects) to deliver conversions capable of meeting Gold Level Aspect 1. The aim would be to produce the 'Glasgow guidebook' to acceptable repurposing.

This mainstreaming programme would not remove the need for case-by-case approaches to some of Glasgow's vacant buildings of major architectural significance.

The total volume of archetypes can be assessed to establish the potential universe of city centre repurposing opportunities. This approach is not a permissive blanket treatment[33] as those would risk poor outcomes in areas of great value and potential. 'Uses in principle' could be stated and set out with the LDP (CDP), including in-principle support for conversion of vacant commercial or office space to residential use subject to specific criteria for example around heritage, and a streamlined consultation process. Draft NPF4 and LDP's such as Aberdeen's for its city centre vacancy challenge are already moving in this direction.

The growing portfolio of vacant buildings should not be viewed as a 'problem' – the current and looming vacancy is the city's generational opportunity to deliver that liveable city centre around high quality conversions of its heritage buildings, faster and better and aligned with the climate emergency than is anticipated in the CCLS (and to a much greater extent than is currently being delivered).

8.17.2 **Housing finance and viability** is an extensive topic, particularly where there are complex market barriers and failures such as in Glasgow city centre's repurposing stock. As indicated, intervention rate appraisals are required, including for affordable housing tenures. Realignment of the SHIP and funding to include a greater scale of repurposing may be required. Relevant benchmarks and allowances should be reviewed. Access to surplus public sector assets and taxation alignment are covered above under policy. Additional targeted market interventions may include Compulsory Purchase Orders (CPOs) to deliver land assembly for regeneration and/ or Compulsory Sales Orders (CSOs), subject to forthcoming legislative review.

Continuous scanning will be required across all local, Scottish Government (eg. Housing Infrastructure Fund, Scottish National Investment Bank, competitive funding bids, city centre recovery funding), UK Government funds and incentives available or emerging to support repurposing of vacant stock for residential use. A cocktail of funding seeking different outcomes may well be required to unlock repurposing opportunities.

8.17.3 In addition to the core consideration here of attracting and delivering new residential conversions and development in an improving public realm, the constant emerging theme is the requirement for **community facilities** such as schools, nurseries, health centres and dentists to serve the city centre's existing and growing resident population. Access to these facilities is mapped, and gaps identified, in the City Centre Districts Regeneration Framework reports. There is a clear emerging opportunity now to deliver these uses in vacant commercial premises with ground floor access, aligned to the planning flexibility noted above.

8.17.4 In the drive to repurpose existing stock, the **new-build** residential market should not be sidelined. New-build development brings high value investment to the city to deliver regeneration and attract additional population, at a pace, scale and density that can accelerate positive outcomes. Operator-led models such as PBSA, BTR and emerging variations such as senior living and co-living can also offer the cache of a brand and investment 'quick wins'. House builder activity when it emerges can also prove the market and offer a much greater variety of housing types across the city centre. The balance of new-build and repurposing must shift to deal with major looming vacancies, but that should be achieved through acceleration of reuse as complementary, not by unduly constraining new development

[33] Such as simplified planning zones, masterplan consent areas or permitted development rights.

RETAIL AND LEISURE MARKET

8.18 The retail and leisure market is now clearly in a consolidation and restructuring phase. Vacancy rates have increased, but these still underestimate the true under-utilisation of retail floorspace in the city centre. The types of intervention required may be more targeted than those for the office-to-residential transition described above, but they are no less important in securing the city centre's competitive future as an apex destination:

- There is an urgent requirement to understand what the potential future shape and content of an apex destination may look like, while still leaving room for future change and flexibility.
- The future management of retail and leisure uses through the planning system, and support for change to and from alternative uses, requires to be established.
- Although the reuse and redevelopment of commercial spaces may be generally more viable, it is likely that (many) projects will require some sort of support, whether around abnormal costs, site assembly, heritage aspects or cost/income viability gaps.

8.18.1 Understanding the city centre's **potential future shape and content** will require one significant study and supporting market information:

- The total expenditure potential within the city centre should be estimated in a **new capacity study**. The study should cover principally comparison goods but also leisure and convenience goods floorspace, and the amount of projected annual expenditure available to service that floorspace from residents, workers and visitors.

  Sources had already tracked a decline in city centre comparison goods turnover from £2.5 billion annually c.£2 billion by around 2015[34]. However, at that time the forecast online share was 24% whereas now it is nearer to 40%. As an apex centre Glasgow may potentially be a little less affected although the market is clearly in the throes of a major adjustment.

  The anticipated future turnover is absolutely critical to understanding, and planning for, the potential future retail and leisure footprint in the city centre, including informing early planning decisions on proposals to reuse or change existing retail space.

- To support this understanding of the quantum of market potential, renewed monitoring of the potential mix and formats is required, through **demand (requirements) tracking**. Various market sources monitored this when the retail sector was in its pomp, often tracking 100-150 live retail and leisure operators' interests in taking space (or more space) in the city centre. Ryden has identified one current subscription service (there may others currently less/ inactive), *therequirementslist,* which could be used to inform the capacity study and added as a tracker to the Forecast Analytics dashboard suite.

8.18.2 Two **major planning interventions** are recommended to support retail transition in the city centre:

- A **new planning framework for former 'Golden Z'** retail pitch is required. The framework should capture the changes to date and known market pipeline and potential, from Sauchiehall Street to Trongate via Buchanan Street, over say a 20-year period. The clear expectation is that this will plan for much more mixing of uses – and reuse/ redevelopment – at the extents of the Z in order to focus on a north-south prime pitch on Buchanan Street and its immediate environs. The retail capacity study at 8.18.1 should inform the planning framework as should the requirements tracking.

  Current repositioning activity such as the proposed St Enoch diversification and emerging Buchanan Galleries redevelopment, and the testing of planning policy via non-retail uses on the prime pitch, are very well-timed to inform this fresh view of the core commercial city centre. The planning framework is of course about more than just current and remodelled retail floorspace, as new population expected to arise in some parts such as around Sauchiehall

[34] CACI (Retail Footprint) annual reports, and Glasgow City Centre Retail Impact Study (Roderick MacLean Associates and Ryden, 2015)

Street and at the two shopping malls will change the functioning - and the needs – of local areas, while leisure uses and public realm will drive new routes through the city centre.

This is a generational, 'golden' opportunity to re-assert the city centre's apex commercial role, while supporting the transition to a more diverse mix and liveable city centre sought by all strategies.

- A **revised frontage policy** is required for the city centre. This was reportedly considered in Glasgow as long ago as 2006-07 as a means of supporting the diversification of certain areas within the 'Z'. Since that period, demand for Class 1 retail has stalled then diminished, initially diversified into leisure uses, especially food & beverage, then has further weakened through the pandemic. It is not just the ability to formally change use that the market may now require, but the ability to flex uses over time. The city centre will rely on these increasingly mixed and flexible uses for its future economic success.

  The principal requirement now is to support retail and related leisure uses within the context of active frontages which provide commercial occupancy and contribute towards vitality and viability. The aim is to accommodate positive change subject to clarity over permissible uses, suitable mechanisms and areas where different policy regimes are to apply (and be monitored). Landlords and residents will also wish to see what is permissible within their blocks and localities. Effective policies could be introduced without waiting for changes to Scotland's Use Classes Order – although in the context of challenges facing town and city centres across the country that may be an additional line of enquiry with the Scottish Government.

  The Council should investigate the experience to date in England of amalgamating use classes into Class E from 1 September 2020. This seeks to reflect the long run market change noted above and encourage regeneration and economic activity by bringing together public and commercial uses. The amalgamation was exceptionally broad[35] and was introduced during the pandemic so any outcomes assessment should be read in that early, possibly reactive context.

8.18.3 Repurposing of surplus retail and leisure space in Glasgow city centre may potentially require **funding intervention**. Reassertion of the city centre' commercial role will still leave some difficult challenges in locations and buildings which the market has left behind. Retail repurposing schemes may achieve commercially viability more readily than the office repurposing challenges noted above, due to their potential to secure full rents and leases from new operators within a mix of alternative commercial and perhaps residential uses. This does not however confer blanket viability and there may be specific reasons and requirements – economic development, public realm, infrastructure, wider masterplanning *et cetera* – for intervention and funding in particular situations, as already happens across the city centre.

DELIVERY

8.19 Delivery of the **action plan for city centre recovery and interventions** (Table 20) will require substantial resources. There is no single funding stream for such a diverse, flexible and long term programme, and indeed the intervention needs will change as markets are proven and new priorities emerge. The proposed model here seeks to direct and coordinate resources which sit to a large extent within the Council's development planning and management and economic development remits, and its capacity to attract funding:

- Develop this action plan, alongside other key documents including the Glasgow City Centre Recovery Plan (which contains a series of proposals a number of which are now underpinned by the evidence base presented in this report), (Scottish) City Centre Recovery Task Force, *et al* into a **prioritised and resourced programme** of activity.

[35] *Class E: Commercial, Business and Service Uses*: all shops (except for local community shops), financial and professional services, restaurants and cafes, business (offices, research & development, light industry), non-residential institutions (eg. medical centres, nurseries, but not museums, galleries, places of worship and the like) and assembly & leisure (eg. sports and recreation, except for local community uses). Drinking establishments, hot food and performance venues are separated out as *sui generis* rather than Class E.

- **Align policy, strategy and regulation** to support repurposing, diversification and new investment.
- **Align projects, resources and timing** with delivery partners: e.g. Clyde Mission, RSLs and Council housing team, Avenues projects, Scottish and UK Governments, and emerging post-pandemic sector and location priorities (*for example as set out in the 2022-24 Glasgow City Centre Recovery Plan*)
- Horizon-scanning for **all forms of funding** to support both repurposing and new investment. Ryden's new vacant and derelict land funding report[36] for the Scottish Land Commission highlights the shift towards reuse of buildings not just sites which is already underway.
- Monitoring of emerging **policy and legislative change** around land assembly, taxation, and so on (*for example CPO, land value capture and possibly CSO are programmed for consideration in 2023/24*).
- Maximise engagement, support and **private sector** leverage across landowners, funders, developers and operators.
- Maximise **value** across economic, social and environmental targets and outcomes.

There is significant scale and complexity to this across a large, diverse and changing city centre. Required interventions are expected to include *inter alia* masterplans, designs, appraisals, programmes, land and building assembly, land remediation and (re)servicing, planning and regulatory alignment/ consenting, and potentially onto demonstration projects and/or joint venturing/partnering with the private sector or other public agencies or RSLs. This signals a minimum of a city centre FTE resource based in Glasgow, fully integrated with the proposed Scottish Government / Scottish Futures Trust resource identified in the City Centre Recovery Task Force report in terms of changes to national policy, regulation, funding and best practice across Scotland's cities. Beyond this dedicated resource, additional planning and regulatory resource is likely to be required to service the emerging demand for new development, revised consents and repurposing of the anticipated scale and complexity set out in this report.

Given the scale and complexity of these requirements, it is recommended that a Glasgow City Council **project office** is established to provide dedicated focus and resources to support city centre property market recovery, development and (crucially) repurposing over the medium to long term.

Ryden LLP
May 2022

36 https://www.landcommission.gov.scot/downloads/621fe22e69ce4_Review%20of%20Funding%20Sources%20for%20the%20Re-Use%20of%20VDL%20-%20Ryden%20March%202022.pdf

TABLE 20: GLASGOW CITY CENTRE PROPERTY MARKET RECOVERY ACTION PLAN (MARCH 2022)

SECTORS	FOCUS	INTERVENTIONS
Public policy	Policy alignment is required to support development, regeneration and repurposing:	
	Public assets.	The disposal or reuse of public assets in Glasgow city centre should be coordinated to maximise overall value and placemaking. Initial alignment of interests via Scottish Government / SFT support can precede a review of SPFM Best Value guidance/directive.
	Affordable housing.	The outputs of Glasgow's leading affordable housing programme do not appear to benefit city centre property repurposing. Full review and alignment of strategies, plans and funding is required to ensure that affordable housing is a part of the mix.
	Taxation.	Lobbying to align VAT, allowances (eg. BPRA) and NDR with the priorities of repurposing existing buildings and reusing sites.
Offices and employment uses	Increasing demand focus on prime Grade A, flexible options, fitted-out and co-working centres.	Continued planning policy and economic development support to assist the market in creating well-located, ESG-compliant, amenity rich and flexible office space. Mainly in the CBD but with opportunities for new sub-markets and specialist locations. Continue to support demand through Invest Glasgow, Scottish Enterprise, Scottish Cities Alliance and others. Support the delivery and future flexibility of amenity space – gyms, nurseries, cafes etc. – within/ adjunct to modern office space. Continued support for reinvestment in recycling modern offices to create very flexible offices with improved occupier amenities. Support the growth of managed business space across a growing range of models from incubation to formal core+flex options.
	Accelerating vacancy of older, unrefurbished office space, including in heritage buildings.	Active intervention to repurpose for residential-led mixed-use. Suite of policy support, financial and ownership interventions. Use the comprehensive property data underpinning this report to target areas and stock for repurposing. Identify archetypes for mainstreaming and create a Glasgow guidebook.
	Industry, creative industries and innovation.	Conduct a post-pandemic stock take and gap analysis across these critical city centre employment sectors.
Residential	Residential development is gaining traction, although largely in certain sub-sectors. The population target requires much broader and larger scale activity.	Conduct a full analysis and update of potential from the City Centre Living Strategy. A focus on the residential-led reuse of buildings in Sauchiehall, Blythswood and Central, along with public realm, amenity and community needs is anticipated. Other actions as above.
	Private sales housebuilder interest is expected to emerge.	Identification of the next target areas through the revised CCLS, public investment, policy support and market engagement.

	RSL appetite to deliver affordable units is thwarted by the market. BTR substantial pipeline. Convert-to-rent opportunities. PBSA mature growth phase.	Policy and funding realignments, and conversion opportunities alongside new-build sites, as above. Monitor first wave of BTR completions and provide positive policy support for further waves as market becomes established. Investigate CTR examples in other regional cities and identify market participants to target with opportunities. Continue to encourage the delivery of PBSA to meet demand growth and replacement needs.
Retail and Leisure	The city centre market is contracting, particularly for comparison goods due to the growth of online shopping. Prime pitch (the former Golden Z) Secondary and tertiary pitches.	A planning framework is required to set the 20-year vision for the former Golden Z, including the active plans for the main shopping malls. Prior market research is required to understand the required scale of footprint and nature of current and potential demand. Policy flexibility in edge prime locations and potentially selected core prime locations to aid diversification and sustain active uses. Planning policy flexibility through investigation of ongoing market changes and adoption of a (restricted scope and geography) version of the English planning system's Use Class E. Investigation of market and planning interventions required to allow surplus frontages to provide service and community uses, creative industries and third sector. Selective funding interventions at building, project or pitch levels.
Delivery	There is no single funding stream for such a diverse, flexible and long term intervention programme.	Develop this action plan into a prioritised and resourced programme to be implemented by a project office to align policy, strategy, regulation, scan for and target funding options, monitor policy and legislative change, secure private sector support and leverage, and maximise triple bottom line values. Required interventions to include *inter alia* masterplans, designs, appraisals, programmes, land and building assembly, land remediation and (re)servicing, planning and regulatory alignment/ consenting, and potentially onto demonstration projects and/or joint venturing/partnering with the private sector or other public agencies or RSLs. Beyond this dedicated resource, additional planning and regulatory resource is likely to be required to service increasing demand across new development and repurposing.

Source: Ryden

<u>Notes</u>

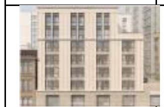
The residential sectors in the table are high level. Others such as shared equity affordable options may form part of the mix and potentially in selected locations self-build or custom-build options.

There is a likely monitoring requirement for the hotels sector given recent and pending completions and a large future pipeline.

APPENDIX A

DEVELOPMENT PIPELINE (as at March 2022)

Photograph	Street No	Street	Description	Planning	Future loss	Type	Future gain (sq.ft.)	Future gain (rooms / apts / units)	Type
MAJOR APPLICATIONS / HIGH PROFILE DEVELOPMENTS									
	1	Atlantic Square	Joint venture between BAM Properties and TCP Developments. Forward funded by LGIM Real Assets (Legal & General). Pre-let to GPU. Completion due early 2022.		-	Site	198,000	-	Office
		Argyle Street (Robertson Street/York Street/ Argyle Street) JP Morgan Chase. One Central	Under construction. 273,000 sq.ft. 13 storey office / technology hub. To be occupied by JP Morgan Chase	18/02917/FUL. Granted October 2019, Major. Demolition of listed/ unlisted buildings and erection office building (Class 4) with ancillary ground floor retail (Class 1)/ restaurant (Class 3) uses and associated vehicular access	-	Site	273,000	-	Office
		Argyle Street Debenhams, St Enoch Centre	Plans by Sovereign Centros to convert the former Debenhams site at St Enoch into offices, with a rooftop garden. Wider proposals include retail, leisure and entertainment and new homes	Pending - 21/03594/FUL Erection of rear and rooftop extensions to facilitate change of use of upper floors of existing retail (Class 1) building to office (Class 4), financial, professional and other services (Class 2), assembly and leisure (Class 11) and food and drink uses (Class 3).	250,000	Retail	250,000	1,700	Mixed use, office
	225	Bath Street G2 4GZ	Proposed demolition of 1970s office, and development of 560-bedroom student accommodation. Plans submitted in April 2021 by student accommodation provider iQSA. Intend to demolish a 1970s office building to build “carefully considered” accommodation	Pending - 21/00974/FUL Demolition of office building and erection of student accommodation and ancillary works Granted subject to S75 - 8 Feb 2022	87,841	Office	-	560	Student accommodation
	331	Bell Street	54 apartments by Grant Stafford Borthwick. Built on vacant land. Phase 1 complete, Phase 2 ready to purchase. Construction began Sept 2019	15/02937/DC. Granted April 2019. Major. Erection of residential development of 54 no. flatted units and 1 commercial/office unit.	-	Vacant site	-	54	Residential

		Brown Street and Carrick Street Carrick Square	Soller Group submitted a detailed planning application for 200,000 sq.ft. Carrick Square office development in June 2020. Designed by Glasgow-based Mosaic Architecture + Design. With an application for phase 2 of 270,000 sq.ft. in January 2022.	Pending Major - 21/03803/PPP Erection of office development (Class 4) (in principle),	-		200,000 + 270,000	-	Office
		Buchanan Wharf	Pre-let to Student Loans. Under construction. 20-year lease with the Student Loans Company (SLC) for a 75,000 sq.ft. HQ		-	Vacant site	75,000	-	Office
		Buchanan Wharf	18-storey residential complex for Legal & General (324 apartments), completion due 2022		-	Vacant site	-	324	BTR
	50	Bothwell Street	Proposed redevelopment of 50 Bothwell Street. The project will provide refurbished office accommodation with a subdivision of ground floor retail and with a new café and business hub at street level. Building sold to Orion Capital Managers in June 2021 for £19 million		96,348	Office	96,348	-	Office
	200	Broomielaw	Major refurbishment by AM alpha commenced May 2021 of the 79,300 sq.ft. office		79,300	Office	79,300	-	Office
		Brunswick Street, Candleriggs Square	Major 346-apartment Build-to-Rent (BTR) scheme at Candleriggs Square, Glasgow. Candleriggs Development 2 Limited, the joint venture between Drum Property Group and Stamford Property Investments, agreed an £81.5 million deal with Legal & General to deliver a major 346-apartment Build-to-Rent (BTR) scheme		-	Site	-	346	BTR
		Brunswick Street, Candleriggs Square. The Student Hotel	500 room hotel. Construction began September 202. Joint venture between Drum Property Group and Stamford Property Investments.	21/00997/FUL Site Bounded By Trongate/Wilson Street/Hutcheson Street/ Brunswick Street	-		-	500	Hotel
		Buchanan Galleries	Proposed demolition and mixed-use development. A masterplan for an up to £700 million, 1.2 million sq.ft. mixed-use makeover of the shopping centre to include 380 homes by owners Landsec. At concept stage, will be		592,000	Retail	1,200,000	-	Mixed-use

			delivered over a decade 2023-2033. TIF funding						
	4-8	Dixon Street/ Clyde Street	Demolition of office and retail building, development of 20-floor 204-bed hotel by Citihome	19/01694/FUL. Granted November 2019. Major. Erection of serviced apartments with ground floor retail and roof top restaurant	9,677	Office & retail	-	204	Hotel
		Former College Street Goods Yard Adjacent To No 4 Parsonage Square Glasgow	Get Living with Glasgow architects, Stallan-Brand. Site benefits from planning consent for a similar scale and nature of development, approved in December 2018. This included retail, leisure, food and drink, business, and commercial uses, build to rent residential and student accommodation. Following the Covid 19 pandemic Get Living felt that the expectations within the sector have moved on since conception and further improvements to the design and quality of the scheme can be made	Pending Major - 21/03795/FUL Erection of mixed-use development, including retail (Class 1), food and drink (Class 3 and Sui Generis), business and commercial uses (Class 2 and Class 4), non-residential institutions (Class 10), assembly and leisure (Class 11), residential (Build to Rent and Residential)	-	Site	-	727	BTR
		33 Cadogan Street The Grid	275,000 sq.ft. proposed. Site on market for sale. Corunna House at 33 Cadogan Street was demolished in 2018 to create site. Sold to CEG end 2021. Rumoured to be focusing on a site start in the coming months for a new speculative office building in the order of 275,000 sq.ft.		-	Vacant site	275,000	-	Office
		Hydepark Street Central Quay	PLATFORM_ Glasgow 498-apartment development consists of four blocks of varying height, including a 20- storey tower. Site vacant since the departure of the Daily Record newspaper in 2000. Currently onsite and the project is scheduled to complete in 2023. Office as 2 Central Quay is on site with 30,000 sq.ft. let to a film production company. onsite, completion 2023		-	Vacant Site	30,000	498	BTR
	236-246	Clyde Street Virgin Hotel	242 rooms, due to open 2022	21/02100/FUL Erection of single storey extension to hotel.	-		-	242	Hotel

		Clyde Street Custom House	Redevelopment of office to hotel Artisan's £80m transformation of the Custom House building continues with a four-star, 303-bed Clayton Hotel and a 162-bedroom Adagio Apart-Hotel set to create a vibrant riverside quarter when it opens in 2022.		14,670	Office	-	465	Hotel
		Love Loan Martha Street / John Street/ North Frederick Street, George Street	Chris Stewart Group. 136-BTR block (initially proposed 272 bed student accommodation)	20/00994/FUL. Granted Nov 2021. Local. Mixed use development, including residential units/serviced apartments/ student accommodation, hotel, office, retail, food and drink, and commercial uses and associated works, with demolition of unlisted buildings and alterations to listed buildings	-		-	136	BTR
		Love Loan. Marriot Hotel	245-bed hotel. Under construction. Chris Stewart Group. Due to open 2022		-		-	245	Hotel
	206	High Street - car park Collegelands	Vastint Hospitality. Application for a mixed-use development including 221 apartments for a large vacant site beside Glasgow's High Street station. The vacant plot at former goods yard would be transformed with an eight-storey office block, which includes a cafe/co-working spaces at ground floor level, as well as space for small business users and start-ups. The apartments would be within three stepped towers and would include shared facilities such as residents' lounges and a gym.	Pending, Major. 21/00543/FUL Erection of mixed use development comprising residential (flats) offices and commercial uses including classes 1, 2 and 3 and associated works. 221 homes across 3 residential blocks, and a 10,000 sq.m. office	-	Car park	107,000	221	BTR. Mixed use residential led, including office
		High Street and George Street (junction of) Merchant Point	Structured House plans an 11-storey build-to-rent apartment block with commercial space. Will demolish a number of unlisted dilapidated and half-demolished and build 239 flats with roof-top terraces. A mixture of studio, one and two-bedroom flats along with a number of shared amenity spaces.		-		-	239	BTR

 	21	India Street Portcullis House	Proposed demolition of the former HMRC building on India Street. Plans for a build to rent (BTR) and co-living development of 685 new homes by Watkin Jones Group. The build to rent (BTR) and co-living development of 685 new homes will be made up of a 279-unit BTR development to the north of the site, adjacent to Charing Cross Station, and a 406 studio Co-Living development to the south of the site, adjacent to the Scottish Power Building. Watkin Jones purchased from Mapeley Estates for £6.25m in August 2020	Pending -Major - 21/02557/FUL Demolition of existing office building and erection of mixed use development to include residential (Build to Rent) (Co-Living) (Sui-Generis), Class 1 (Shops), Class 2 (Financial, professional and other services), Class 3 (Food and drink), Class 4 (Business), Class 11 (Assembly and leisure) and hot food takeaway	99,780	Office	-	685	BTR
	65-97	Ingram Street, Ingram Street car park Merchant Square	City Property sold the site in March 2021 to Artisan. Artisan has initial proposals for a vibrant mixed use development with low carbon homes and commercial space on the ground floor. Proposing just over 100 1, 2 and 3 bedroom apartments with 4 commercial/ workspace/café units on the ground floor.		-	Car park	-	100	Residential led mixed use
		King Street Car Park. Site Bounded By Howard Street/ King Street/Osborne Street/Stockwell Street/ Bridgegate	Vengada Estates and architects Stallan-Brand lodged a submission for planning in principle (PPP) for the King Street Car Park. Potential for a mix of apartments, shops and offices on the city centre site. The development, on land bounded by Osborne Street, King Street, Bridgegate and Stockwell Street, would include food/drink and leisure space, as well as a hotel.	Pending. Major. 21/01565/PPP Erection of mixed use development (in principle), comprising residential flats (sui generis) office and business (Class 4), hotel and hostel (Class 7 and sui generis), shops (Class 1), financial, professional, commercial uses, restaurant and public house (Class 2, Class 3 and sui generis), non-residential institution (Class 10), assembly and leisure (Class 11)	-	Car park	570,000	-	Mixed use, office and leisure
	60	North Hanover Street, G1 2BP Met Tower	In January 2021 Osborne+Co received planning consent to deliver a £100 million mixed-use transformation of the Met Tower. The major refurbishment project will deliver 120,000 sq.ft. of state-of-the-art de-furbished Grade-A office space. Plans to demolish an existing ‘podium’ building facing Cathedral Street to make way for a 260-bed hotel across 11 floors, which would connect to the Met Tower.	20/00594/FUL Granted Dec 2020. Local. Erection of mixed use development consisting hotel/ serviced apartments (Class 7/ Sui Generis), ancillary retail (Class 1), professional services (Class 2), restaurant (Class 3) and public house (Sui Generis) with associated landscaping, infrastructure and parking. External alterations with use of vacant college building (Class 10) as office (Class 4) and demolition of podium building	-	College / office	120,000	260	Mixed use
		Osborne Street/ Old Wynd	Plans approved August 2019 for 12-story 165-bed hotel on site of former car park. Hotel developer Dominvs Group bought the site in 2018 for a price in excess of £3 million.	19/00886/FUL. Granted July 2019. Major. Erection of hotel with associated facilities and ancillary works.	-	Car park	-	165	Hotel

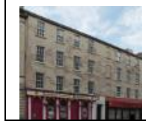
	5-9	Oswald Chambers, Oswald Street/ 54 - 64 Broomielaw	Proposed £18 million hotel development by HMN One Clyde. Currently Oswald Chambers and 9 Oswald Street, with a gap site in between	Pending Major- 21/01751/FUL Conversion of existing vacant building and erection of new build apart-hotel	24,751	Office	-	-	Apart hotel
		Pitt Street former Strathclyde Police HQ / Holland Park	Building was demolished in 2019 and a 433 BTR development is underway. Moda Living's Holland Park PRS scheme is across four buildings ranging from six to 22 storeys in height. The development comprises 433 studios and one, two and three-bedroom Build to Rent (BTR) apartments		-		-	433	BTR
	144	Port Dundas Road . /Renton Street/ Milton Street (site bounded by)	Courtyard development of 350 contemporary apartments, a mix of one and two-bedroom suites by Soller Group. Currently a vacant site	20/02485/PPP Erection of mixed use development (in principle), includes residential apartments, mixed retail and commercial uses (Classes 1, 2 and 3) and Gymnasium (Class 11)	-	Vacant site	-	350	Residential
	200	Renfield Street Broadway Central	53,300 sq.ft., purchased by MRP in May 2021, 70% let and will refurbish vacant floors		53,794	Office	53,794	-	Office
		Former STV Site, corner of Renfrew Street and Renfield Street. Broadway 2	In December 2019 Glasgow City Council has received an application from ES Renfield Ltd, requesting permission to erect an office building of 100,000 sq.ft. on land at the corner of Renfrew Street and Renfield Street.		-	Site	100,000	-	Office
	520	Sauchiehall Street	Proposed redevelopment to 87 studio and 1-bedroom apartments. In July 2021 Iceni Projects Limited submitted plans on behalf of Consensus Capital Group Ltd to build a 'car-free' residential development in a conservation area. The building has been derelict for a number of years and housed cinemas from 1912 to 1984. If approved, the building will be re-developed into a 12-storey tower with 87 studio and one-bedroom apartments and a roof terrace	Pending Major 21/02069/FUL Erection of residential development, (87 Units),with Class 1 (Retail), Class 2 (Financial, Professional and Other Services), Class 3 (Food & Drink), Class 4 (Business) and Class 11 (Assembly & Leisure)	12,600	Leisure (nightclub) - derelict	-	87	Residential
	923	Sauchiehall Street Lorne Hotel	To be redeveloped as 140 luxury student accommodation by IconInc. Hotel ceased trading May 2021	no planning application as yet	102 rooms	Hotel	-	140	Student accommodation

	119 - 221	Sauchiehall Street Watt Brothers	Store closed December 2019. Likely to be redeveloped.	no planning application as yet	78,980	Retail	-	-	Hotel (likely)
	67-81	Sauchiehall Street BHS	The BHS store closed in 2016. Likely to remain as retail.		60,000	Retail	-	-	Retail
	172	Sauchiehall Street Marks and Spencer	Closure announced in January 2022. Likely to be redeveloped.		86,000	Retail	-	-	Development opportunity (likely)
	163	St Georges Road, G3 6LB Former Arnold Clark	65 flats + 2 commercial units. Building has been demolished.	18/01217/FUL Granted March 2019. Major. Demolition of existing buildings and erection of flatted residential development (65 units), two commercial units (Class 1, 2 or 3) and associated works	-	Site	-	65	Residential
	350	St Vincent Street, G3 8TS Dalian House	Former NHS Glasgow HQ, vacant since 2010. Plans to redevelop the building into 92 private rented flats. 17 studios, 58 one-bedroom and 17 two-bedroom units. Previous application for 67 private flats.	19/01035/FUL. Granted June 2020. Local. Use of offices as residential flats (67 Units) Pending - 21/03750/FUL Use of vacant offices (Class 4) as 92 flatted residential units	50,960	Office	-	92	BTR
	292/ 298	St Vincent Street, at Pitt Street, G2 5RU	Artisan Real Estate plan a new 14-storey hotel. Under the plans, a vacant office block on St Vincent Street at Pitt Street will be demolished to make way for the 252-bed development. Operator, Vienna House, withdrew interest for 248 bed hotel after Covid delay (Aug 2021) But now an application for 248 serviced residential units	19/03849/FUL Granted April 2020. Major. Demolition of building and erection of hotel, bar and restaurant (Sui Generis) with associated works. 21/02121/FUL Pending. Major. Demolition of building and erection of serviced residential living accommodation with associated works.	34,670	Office	-	248	Serviced apartments
	178-186	Trongate/11 Hutcheson Street	Proposed hotel-led mixed-use development. Demolition of bank and retail premises. The site will see the demolition of the former bank premises and retail outlets on the corner of Trongate and Hutcheson Street, together with the Oriental Bar. The 12-storey building will provide a hotel with 157 bedrooms, a bar/restaurant and roof terrace.	19/03393/FUL Granted February 2020. Major. Demolition of building and erection of hotel/aparthotel (Class 7), retail (Class 1) and public house (Sui Generis) and associated works. 21/00997/FUL. Granted October 2021. Major. Erection of hotel (sui generis), including ancillary leisure, gym, event and business space, restaurant (Class 3), public house (sui generis), retail unit (Class 1) uses	28,413	Bank and retail	-	157	Hotel

	134-136	Wellington Street, G2 2XL Wellington House / The Wellington	Redevelopment of former office (Wellington House into a boutique hotel. Working with developer Henley Homes Group conversion of the listed building into a 98-bed boutique hotel known as The Wellington as well as serviced apartments. In January 2020 Rogue City Hotels bought the vacant Wellington House, the former Tribunal Court, for £4.4 million, for conversion into a 98-bedroom luxury boutique hotel.	19/01731/FUL. Granted August 2019. Local. Use of former tribunal court (Class 10) /offices (Class 4) as hotel (Class 7), includes external alterations	31,880	Office	-	98	Hotel
	21	West George Street, G2 1BA Dale House	Proposed hotel development. Requires demolition of office. Bloc Hotels submitted new plans for its proposed development in January 2020. Bloc Hotels Group purchased Dale House from Legal & General Investment Management (LGIM Real Assets) for £8,500,000 in October 2019	20/00086/FUL Granted June 2020. Major. Demolition of unlisted building and erection of mixed use development comprising hotel/hostel (Class 7) with licensed bar, retail (Class 1), office (Class 2), food and drink (Class 3), leisure (Class 11) and public house (sui generis)	89,554	Office	-	160	Hotel
		West Nile Street / Bath Street, G1 2SB	In September 2021 3D Reid dropped plans for previously approved 183 bed hotel development. A mixed-use development is now proposed incorporating aparthotel, student accommodation and co-working spaces. Demolition of office required	18/03299/FUL. Granted June 2020. Major. Erection of hotel (Class 7) with associated Class 1, 2 and 3 uses.	57,251	Office	-	-	Apart hotel, student
	148-160	Wishart Street (site formerly known as)		Pending Major - 21/02321/FUL Erection of flatted residential block (78 units) on vacant site	-	Site	-	78	Residential
	235	Buchanan Street Top Shop / Burtons	Development opportunity. 229 - 249 Change of use of the upper floors to serviced apartments and incorporation of ground floor restaurant entrance vestibule into existing retail unit.	Pending - 21/02197/FUL Use of upper floors as serviced apartments	30,000	Retail	-	-	Serviced apartments
		Waterloo Street/ West Campbell Street Princes House	Proposed office demolition and new-build Grade A offices. Mis-1960s office purchased by Garroch Investments in June 2021 for £10.5m, they will demolish the office and rebuild a Grade A office on the site. The building became vacant during the course of the transaction as the lease expired. Following the sale the Scottish charity Clutha Trust occupy the whole building until the time of demolition at a nominal rent.		56,711	Office	-	-	Office

	375	West George Street, G2 4LW Pegasus House / Sandman Signature	Redevelopment of former office, Pegasus House, into hotel. Plans lodged June 2019 for transformation of 12-story disused office block into four-star hotel. 179-bedrooms Sandman Signature Hotel	19/01793/FUL. Granted Sept 2019. Local. Use of existing offices as hotel, including first floor extension and repairs with ancillary uses and works	59,245	Office	-	179	Hotel
	249	West George Street	Planning permission in 2017 for a 113-room aparthotel at 249 West George Street, on the corner of Blythswood Square. Former office. Sold November 2021 to Courie Investments for £3.6M		33,521	Office	-	113	Hotel (apart hotel)
		Anderston Quay City Wharf	BTR development by Dandara. To comprise 3 buildings of up to 16 storeys. Will include 8,000 sq.ft. of amenity space and 3,489 sq.ft. of commercial space.		-		-	603	BTR

LOCAL APPLICATIONS / KNOWN PROPOSALS

	50	Argyle Street, G2 8AG	Conversion of a former listed 8 storey commercial unit to form 21 flats. The works involve partial demolition, extension, internal alteration and extensive fabric repairs to the historic building	18/02405/FUL. Granted August 2019. Local. Conversion of office building to form residential development (21 units) including partial demolition	3,967	Office	-	21	Residential
	102	Argyle Street, G2 8BH		20/02298/FUL. Granted Dec 2020. Local. Use of office (Class 4) as two flatted properties	1,980	Office	-	2	Residential
		Argyle Street Radisson Blu	Councillors approved plans to add three floors with 141 rooms to the Radisson Blu hotel in July 2021.		-		-	141	Hotel
	20	Bath Street		19/02722/FUL Granted Nov 2019. Local. Use of vacant offices (Class 4) as 5no. flatted dwellings	-	Office	-	5	Residential

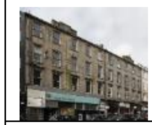
	38	Bath Street, G2 1HG		21/00657/FUL. Granted July 2021. Local. Use of vacant shop (Class 1) as 3 serviced apartments	2,734	Retail	-	3	Serviced apartments
	128	Bath Street, G2 2EN		21/01087/FUL. Granted July 21. Local. Use of bank (Class 2) as Residential Institution (Class 8)	7,976	Bank	-	-	Residential
	207	Bath Street, G2 4HZ	2f. On SAA as in office use.	19/02214/FUL Granted October 2019. Local. Use of tattoo parlour (Class 2) as flatted dwelling	1,402	Office	-	1	Residential
	274, Flat 2/1	Bath Street, G2 4JR	On SAA as office use	19/00400/FUL Granted April 2019. Local. Use of office as flatted dwelling (Sui Generis).	1,270	Office	-	1	Residential
	274, Flat 2/2	Bath Street, G2 4JR	On SAA as office use	18/03563/FUL Granted April 2019. Local. Use of office as flatted dwelling	1,259	Office	-	1	Residential
	43, Flat 1	Bath Street, G2 1HW	On SAA as office use	19/01468/FUL Granted July 2019. Local. Use of Class 2 (Financial, Professional and Other services) as Class 3 (Restaurant) including ancillary take-away,	1,065	Office	1,065	-	Class 3
	5	Buccleuch Street, G3 6SJ		19/02236/FUL. Granted October 2019. Local. Use of office (Class 2) as extension to restaurant (Class 3)	-	Office	-	-	Class 3
	101-107	Buchanan Street, G1 3HF	Vacant B listed office building. Permission to convert the upper floors — above footwear chain Dune London — into six homes. TCS Freehold Investments Ltd says that economic changes due to Covid-19 have provided a “fresh opportunity” to bring the vacant third floors and attic level back into use. October 2021.	21/02408/FUL. Granted Oct 2021. Local. Use of retail unit ancillary offices/ storage to upper floors as 6no. residential flatted dwellings (105 Buchanan Street)	4,820	Office	-	6	Residential
	135, Flat 2/1	Buchanan Street, G1 2JA	SAA has as vacant office	19/02532/FUL Granted Oct 2019. Local. Use of office (Class 2) as art academy (Class 10)	656	Office	656	-	Class 10
	21-25	Carlton Court The Stables		Pending 21/02151/FUL Use of vacant offices as 12no. residential flatted dwellings	9,156	Office	-	12	Residential

	51	Carlton Place, G5 9TW		19/01952/FUL. Granted January 2020. Local. Use of premises as 11 short-stay serviced apartments	9,256	Office	-	11	Serviced apartments
	73	Carlton Place, Prince And Princess Of Wales Hospice, G5 9TD	Conversion of the building at 65-73 Carlton Place and demolition of existing buildings to the rear and the erection of a four storey extension to form new purpose-built Co-living accommodation with the provision of a ground floor commercial unit. The development would deliver up to 155 Co-living studio apartments across the Grade B Listed building and the new building.	19/01951/FUL. Granted July 2020. Local. Use of hospice as 28 flats, erection of 82 holiday letting rooms, gymnasium	28,965	Hospice	-	155	Residential / serviced apartments
	40	Carrick Street, G2 8DA		Pending - 21/00621/FUL Erection of 4 storey extension to office	-	-	-	-	Office
	72	Charlotte Street Former Wise Group HQ	A residential flatted complex comprising 74 properties. Surplus Property Solutions Ltd wants to deliver a part seven-storey, part four-storey block in Charlotte Street at the former headquarters of social enterprise organisation the Wise Group. A mix of one, two and three-bedroom properties, plus a roof terrace and private green space at ground level, as underground parking for 37 vehicles. An unlisted building would also be demolished.		21,851	Office	-	74	Residential
	125	Douglas Street	In May 2020 Gosal Properties submitted revised plans to convert an empty B-listed office building into serviced apartments. 14 one-bedroom apartments on the upper floors. These will be holiday apartments	20/01104/FUL. Granted Dec 2020. Local. Use of offices (Class 2) as 14 serviced apartments (Sui generis)	4,000	Office	-	14	Serviced apartments
	24	Drury Street, G2 5AA	Possible residential conversion from vacant offices. Planning proposal by Delicata Associates for 34 serviced apartments	Pending - 21/00804/FUL Use of upper floors of mixed use premises (Sui Generis) as 34no. serviced apartments	-		-	34	Serviced apartments
	3-5	Dundas Street, G1 2AH		19/02740/FUL. Granted Nov 2019. Local. Use of offices (Class 4) as 3no. flatted dwellings Pending - 21/03232/FUL Use of upper floor offices (Class 4) as 3no. serviced apartments	4,000	Office	-	3	Residential

	10	Elmbank Street, Old High School Complex	Currently for sale. Graham & Sibbald, 99,316 sq.ft. development opportunity for hotel. Under offer		99,316	Education	-	-	Hotel
	11	Elmbank Street		21/01280/FUL. Granted Sept 21. Local. Use of offices as 4 self contained flats	3,330	Office	-	4	Residential
	15	Elmbank Street	The Guide Association sold the office to Elmbank Property Ltd in September 2020 for £520,000. Possible loss of space. Possible redevelopment		4,791	Office	-	-	Possible redevelopment
	61	Glassford Street, G1 1UG	Change-of-use application for a vacant B-listed building to be converted into a hotel. Last used as a Mamafubu restaurant at basement and ground floor; chef's training school and licensed delicatessen at first floor; and ancillary office space at the second, third, and fourth floors. To become a 31-bed hotel with bar	20/03343/FUL Granted April 21. Local. Use of existing premises (Mixed use) (licensed delicatessen/coffee bar and chef's training school/education rooms with ancillary office space) as hotel (Class 7)	47,261	Restaurant with offices 2f-4f	-	31	Hotel
	169	Howard Street, G1 4HF		20/01920/FUL. Granted Oct 2020. Local. Use of vacant retail unit (Class 1) as office (Class 2)	2,712	Retail	2,712	-	Office
	36	Jamaica Street, G1 4QD Wetherspoons		Pending - 19/02769/FUL use of upper floors of public house (Class Sui Generis) as hotel (Class 7)	-		-	-	Hotel
		Jocelyn Square, Bridgegate, St Margaret's Place and Mart Street	Urbanite (Glasgow) Ltd received permission to build a student accommodation block on a gap site beside the High Court	20/00822/FUL | Erection of student accommodation with associated car parking, servicing and landscaping - renewal of planning permission 16/02539/DC. Approved Aug 2020	-	Gap site	-	169	Student accommodation
	24	Little Street, G3 8DQ		Pending - 21/00181/FUL Use of office (Class 4) as flatted residential development (3 units)	2,540	Office	-	3	Residential

		Maitland Street Former Ambulance depot	Acorn Property Group plan to repair and refurbish the building, at Cowcaddens, before offering “managed workspaces”.	Pending 21/02406/FUL Planning application pending consideration (09/12/2021) - current	16,349	Depot	16,000	-	Office
	25	McFarlane Street, G4 0TL	Pram Centre	19/02649/FUL. Granted Oct 2019. Local. Use of warehouse (Class 6) as children's play village (Class 10) with ancillary cafe (Class 3)	27,000	Industrial	27,000	-	Class 10
	14	Mitchell Lane, G1 3NU		19/03605/FUL. Granted April 2020. Local. Use of third floor retail space (Class 1) as office (Class 2).	2,249	Retail	2,249	-	Office
	34	Miller Street, G1 1DT		20/00177/FUL. Granted April 2020. Local. Use of store (Class 6) as office (Class 4).	10,000	Store	10,000	-	Office
	136	Nelson Street, G5 8EJ		Granted April 2019. Local. Use of vacant warehouse (class 6) as restaurant (class 3)	4,789	Industrial	4,789	-	Restaurant
		Otago Lane	Queensberry Properties had sought permission for 49 apartments in three six and seven-storey blocks at Otago Lane, the developer’s first residential project in the city. However planning permission for the original application in 2016 remains in place		-	Site	-	49	Residential
	38	Renfield Street, G2 1LU		21/00870/FUL Granted June 2021. Local. Use of office (Class 2) as restaurant (Class 3)	2,475	Office	2,475	-	Class 3
	106	Renfield Street	Conversion of vacant floors above KFC restaurant into apartments has been approved. Nine flats will be built in the empty second and third floors, with a roof extension. April 2021	21/00036/FUL. Granted March 2021. Local. Use of upper floors and erection of roof extension to form 9no flatted dwellings and associated alterations.	4,400	Office	-	9	Residential
	108	Renfield Street		18/00186/FUL. Granted May 2021. Local. Use of vacant office space (2nd and 3rd floors) as 12 residential flats.	5,500	Office	-	12	Residential

	26B	Renfield Street, G2 1LU		20/03336/FUL Granted April 21. Local. Use of offices (Class 4) and gymnasium (Class 11) as 6No. flatted dwellings	8,300	Office	-	6	Residential
	72	Renfield Street, G2 1NQ Regent House		20/02168/FUL Granted Oct 2020. Local. Use of two retail units (Class 1) as office (Class 4)	2,637	Retail	2,637	-	Office
	39	Ropework Lane, G1 4HU Annie Millers Public House	Demolition of former Annie Millers Public House and the erection of new build development providing 18 serviced apartments.	19/03291/FUL Pending decision (09/12/2021	3,210	Leisure (pub)	-	18	Residential
	82	Sauchiehall Street, G2 3DE	Former Greaves Department store. The planning application said it seeks to “secure the long-term future of the Grade B listed building”, preserving the facade while implementing the “complete regeneration” of the interior.	Pending - 21/01634/FUL Use of retail unit as apart-hotel, erection of extension and rooftop extension	11,280	Retail	-	-	Apart hotel
	245	Sauchiehall Street, G2 3EZ		18/02770/FUL. Granted September 2019. Local. Use of upper floors (Class 3) as 4no. flatted dwellings (Sui Generis)	-	Class 3	-	4	Residential
	273	Sauchiehall Street, G2 3HQ		19/01585/FUL Granted July 2019. Local. Use of shop (Class 1) as flatted dwelling. 20/01726/FUL Granted Nov 2020	-	Retail	-	1	Residential
	396	Sauchiehall Street, G2 3JD		18/01682/FUL Granted June 2019. Local. Use of Restaurant/ Bar and Offices (Class 2) as Hotel and external alterations.	-	Class 3	-	-	Hotel
	26-36	St Enoch Square Station House	Conversion of offices on upper floors of two buildings into 26 flats.	20/00564/FUL. Granted Oct 2021. Local. Use of office (Class 4) as flatted residential development (sui generis) (26 units)	4,596	Office	-	26	Residential

		St Enoch Square. 14/ 18 St Enoch Square/5 St Enoch Place St Enoch Square Teacher Building	Proposed redevelopment of office to restaurant and serviced apartments. Granted permission to create a ground floor restaurant and bar also permits the upper floors to be redeveloped to create 25 serviced apartments. Building sold in September 2021 to JFM Electrical Ltd for £1.3m.	19/03173/FUL. Granted Feb 2020. Local. Use of building (Class 10) as restaurant/bar (Class 3/Sui Generis) and serviced apartments (Sui Generis),	18,849	Office	-	25	Serviced apartments
	101	St Vincent Street		Pending - 19/01214/FUL. Erection of rooftop extension to offices			24,757	-	Office
	250	St Vincent Street, G2 5SH	Conversion of vacant B listed office back to use as a 149-bed hotel (proposed). Will be Scotland's first Meliá 'Innside' hotel, with a three-storey extension and a new bar/restaurant area.	19/03682/FUL. Granted Sept 2020. Local. Use of office as hotel (Class 7) with ancillary bar/restaurant, external alterations and erection of upper three storey extension.	49,250	Office	-	149	Hotel
	144 (4 - 5)	St Vincent Street, G2 5LQ		19/03887/FUL. Granted Feb 2020. Local. Use of office (Class 4) as wellness centre (Class 11).	-	Office	-	-	Class 11
	41	Stockwell Place, G1 4HS		20/03295/FUL Granted May 21. Local. Use of retail unit (Class 1) as theatre school (Class 10).	2,640	Retail	2,640	-	Class 10
	127-135	Trongate TJ Hughes	Former TJ Hughes (relocated to St Enoch Centre in 2021). Future development opportunity		141,930	Retail	-	-	Possible development opportunity
	54	Union Street, G1 3QX		Pending - 20/02626/FUL Use of vacant ground floor unit as restaurant (Class 3), use of 2nd and 3rd floor premises as 11no. serviced apartments	11,958	Class 3	-	11	Class 3, Serviced apartments
	27-45	Union Street		Pending - 21/00449/FUL Use of vacant first and second floors (class 2) as hotel suites (class 7)	-	Office	-	-	Hotel
	55	Unit 49 St Enoch Shopping Centre 55 St Enoch Square, G1 4BW		19/01321/FUL Granted July 2019. Local Use of retail unit (Class 1) as office (Class 2).	1,335	Retail	1,335	-	Office

	35	Virginia Street		21/01199/FUL Granted Aug 2021. Local. Use of vacant unit (class 1, 2 and 3) as office (class 4)	700	Retail	700	-	Office
	49-53	Virginia Street Jacobean Building	Plans for a 14 bedroom boutique hotel	18/01725/FUL. Granted March 2019. Local. Use of 1st -3rd floor premises (Class 2 / Class 11) as hotel (Class 7), includes front and rear external alterations.	6,000	Office	-	14	Hotel
	6	Walls Street/ 59 - 83 Bell Street		19/01177/FUL Granted August 2018. Local. Use of shop (Class 1) as office (Class 2)	4,882	Retail	4,882	-	Office
	64-72	Waterloo Street Wright and Greig Ltd distillers	Proposed demolition of buildings and 182 BTR apartments. Brickland intends to knock down unlisted buildings at 70-72 Waterloo Street, and "substantially demolish" the B-listed distillers building, and deliver 182 build-to-rent apartments. Application refused January 2022		35,000	Office	-	182	BTR
	76 and 80	Waterloo Street		21/01708/FUL. Granted Aug 21. Local. Use of retail units (Class 1) as offices (Class 4)	-	Retail	-	-	Office
	38	West George Street, G2 1DA		20/00029/FUL Granted March 2020. Local. Use of vacant retail unit (Class 1) as Office (Class 4)	4,477	Retail	4,477	-	Office
	55	West Regent Street, G2 2AE	Building currently for sale as a prime development opportunity.	Pending. 20/02993/FUL. Use of offices (class 2) as 96 No. serviced apartments	33,553	Office	-	96	Serviced apartments
	94	West Regent Street, G2 2QD		21/00979/FUL Granted June 21. Local. Use of 2nd floor office as flatted dwelling,	-	Office	-	1	Residential
	125-139	West Regent Street Charles Oakley House	Sold September 2021 for £1.150m to Creditfix. With vacant possession, plans unknown. For sale again at £1.4 million and under offer in February 2022		31,514	Office	-	-	

	141-143	West Regent Street	The two properties sold in January 2020 for £1,600,000. For redevelopment purposes. Serviced apartments consented		4,395	Office	-	-	Serviced apartments
	180b	West Regent Street, G2 4RW		21/01458/FUL. Granted Aug 21. Local. Use of office (Class 2) as education establishment (Class 10)	-	Office	-	-	Class 10
	26	Woodside Place, G3 7QL		19/01167/FUL. Granted July 2019. Local. Demolition of extension and erection of 2 storey mews dwellinghouse.	3,771	Office	-	1	Residential
	4	Woodside Terrace	Building currently vacant	19/00126/FUL Granted October 2019. Local. Use of offices and medical practice as two duplex apartments.	3,649	Office	-	2	Residential
	48	Woodside Terrace Lane, G3 7YW	Building currently vacant	20/00325/FUL. Granted Aug 2020. Local. Use of office (Class 4) as 2no flatted dwellings	1,205	Office	-	2	Residential

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